

REPORT OF THE  
OFFICE OF THE AUDITOR GENERAL  
TO THE  
JOINT LEGISLATIVE AUDIT COMMITTEE

710.1

OPPORTUNITIES TO IMPROVE THE  
FRANCHISE TAX BOARD'S  
MANAGEMENT INFORMATION SYSTEM

JUNE 1978



# Joint Legislative Audit Committee

OFFICE OF THE AUDITOR GENERAL



# California Legislature

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710.1

The Honorable Speaker of the Assembly  
The Honorable President pro Tempore of the Senate  
The Honorable Members of the Senate and the  
Assembly of the Legislature of California

### Members of the Legislature:

Your Joint Legislative Audit Committee respectfully submits the report of the Auditor General on the Management Information System of the Franchise Tax Board.

The Board finds little area of agreement with respect to the findings and recommendations of the Auditor General. Lay lawmakers on the Revenue and Taxation Committees of the Senate and Assembly will find their legislative vision blurred by the nomenclature of the Franchise Tax Board in its response to the Auditor General.

These committees may wish to invite representatives of the Board and the Auditor General's Office to appear before them to discuss the areas of disagreement in detail.

The auditors are Gerald A. Silva, Audit Manager; Richard B. Howard; Kenneth A. Mason; and Donald L. Truitt.

Respectfully submitted,

MIKE CULLEN  
Chairman

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## SUMMARY

In January 1978, the Revenue and Taxation Committee requested the Joint Legislative Audit Committee to evaluate the Franchise Tax Board's (FTB) management information system and to respond to specific questions. This report presents the results of that evaluation.

In general, we reviewed the management information systems relating to FTB's Bank and Corporation Tax Program. The specific questions raised and our responses are as follows:

- Is the FTB maximizing state revenues from corporate audit activities?

Response: The FTB does not have enough management information to determine if state revenues resulting from its corporate audit activities are being maximized. Currently, the management information received by the FTB is only manually summarized. This process does not allow the available information to be produced in a timely manner or in a sufficient variety of combinations for use in planning, measuring and controlling FTB corporate audit activities.

- Is the FTB completing corporate audits on a timely basis?

Response: The FTB management information system does not provide sufficient, timely information regarding the status of corporation audits in progress at the 19 FTB district offices. Without such information it is difficult, costly and time consuming to determine if corporate audits are being completed on a timely basis.

- Do opportunities exist to improve the computerization of relevant data from corporate tax returns?

Response: FTB's current computer capacity is capable of handling additional corporate taxpayer data. Computerization of corporate taxpayer data is currently limited to selected data on page 1 of the four page corporate return, and corporate tax returns to be audited are selected through a manual screening system.

Based on our review, we suggest that enhancement of FTB's management information system is possible. These opportunities are listed on pages 40 to 43 of this report.

## INTRODUCTION

In response to a resolution of the Joint Legislative Audit Committee, we have conducted an evaluation of the management information systems employed by the Franchise Tax Board (FTB) to process and audit bank and corporation taxpayers. The evaluation was conducted under the authority vested in the Auditor General by Section 10527 of the Government Code.

### Franchise Tax Board

The FTB consists of the State Controller, the Director of Finance and the Chairman of the State Board of Equalization. The FTB adopts regulations and has general oversight responsibility for the operations of FTB staff in administering the law. The FTB Executive Officer oversees the daily functions and operations of FTB staff.

The objectives of the FTB are to administer the Personal Income Tax Law and the Bank and Corporation Tax Law in a manner which will assure equity for the taxpayer and maximize the State's revenue potential within the framework of these laws; administer the Senior Citizens' Property Tax Assistance Law as authorized by the statutes providing partial repayment for real property taxes paid by qualified senior citizens; and administer the audits and field investigations with respect to campaign statements and lobbyists' reports as authorized by the Political Reform Act of 1974.

In fiscal year 1976-77, the FTB was the principal contributor of major tax and license revenues to the General Fund. The FTB's revenues to the General Fund totaled \$5.4 billion and its proportional share of revenues of all major tax and license revenues to the General Fund was 50.2 percent. The FTB expended 2,545 personnel years at a net total program cost of \$55.9 million to administer its statutory programs.

Bank and Corporation Tax Program

One of the FTB's stated program objectives is to administer the Bank and Corporation Tax Law in a manner which assures equity, encourages accurate self-assessments, maximizes the State's revenue potential and protects the tax base. The Bank and Corporation Tax Law provides the third largest source of General Fund revenue to the State. During fiscal year 1976-77, bank and corporation self-assessments produced \$1.2 billion in state revenues. Mathematical verification of the returns, various desk audit programs and field audit programs generated an additional \$87 million in state revenue.

The FTB headquarters at Sacramento's Aerojet complex performs various receiving, processing and audit functions on bank and corporation activities. The field audit programs are administered by 2 eastern offices (New York City and Chicago) and 17 California district offices. During fiscal year 1976-77, the FTB expended 311.8 personnel years on bank and corporation activities at a program cost of \$7.3 million.

Scope of Review

Our review of the management information systems relating to the Bank and Corporation Tax Program was conducted at FTB's headquarters at the Sacramento Aerojet complex. In addition, we conducted field reviews at several FTB district offices.

We concentrated our review on the FTB's bank and corporation management information systems. Our review was conducted to provide information on the following questions which were asked by the Revenue and Taxation Committee:

- Is the FTB maximizing state revenue from corporate audit activities?
- Is the FTB completing corporate audits on a timely basis?
- Do opportunities exist to improve the computerization of relevant data from corporate tax returns?

## EVALUATION RESULTS

### IS THE FTB MAXIMIZING STATE REVENUES FROM CORPORATE AUDIT ACTIVITIES?

The FTB does not have enough management information available to determine if state revenues resulting from its corporate audit activities are being maximized.

The management information on district field office activities currently received by FTB management is manually summarized. This process does not allow for the available information to be produced in a timely manner or in a sufficient variety of combinations for use in planning, measuring and controlling FTB corporate audit activities.

### Limited Management Information Regarding District Field Office Audit Activities

The FTB management does not currently receive timely and complete information or management analysis data on the district field office audit operations. We noted with respect to the ongoing audit status of corporation audits that only limited cost/benefit analyses of field audit activities are being produced under the present system. The time involved to manually summarize and develop this information makes it impractical to develop complete information in a timely fashion.

Each FTB district field office auditor prepares a Form 6549 (see Exhibit 1) to record audit time information such as:

- Audit time spent on each corporation or other activity
- Dollar adjustments proposed at audit completion
- Audits in progress inventory.

Each FTB district field office manually summarizes audit time information such as:

- Total audit time spent on each category of audit, such as personal or corporation, but not by corporate taxpayer
- Total dollar adjustments proposed at audit completion, but not by corporate taxpayer.

Only the summarized information from the 19 district field offices is sent to the Sacramento Aerojet headquarters Audit Program Bureau for further manual summarization. Currently, FTB is using one Auditor II position full-time to manually summarize the information on Form 6549. This summarization does not provide timely nor complete displays of the cost/benefit ratios of field office operations that the form was designed to produce.

Opportunities to Increase Management Information Regarding District Field Office Audit Activities

To demonstrate the practicality of generating additional management information regarding FTB district office audit activities, we automated the raw data from the Form 6549's for each of the district

field offices for the period January 1976 through October 1977 to develop cost/benefit analyses for the field offices by audit category. This process required only 38 hours of our data input time and 13 hours of program time to develop the following analyses for the periods January - June 1976, July - December 1976, January - June 1977 and July - October 1977:

- Average tax increase\* and average gross tax change\* per dollar of audit salary cost for each audit category for all FTB offices
- Average tax increase and average gross tax change per direct audit hour expended for each audit category for all FTB offices.

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\* "Tax Increase" refers to proposed additional revenue resulting from audits while "Gross Tax Change" is the sum of proposed additional revenue and proposed revenue reductions resulting from audit activities. The FTB uses the "Gross Tax Change" concept when presenting statistical summaries of their audit productivity.

Table 1 summarizes the results of our automation of the information on Form 6549 and displays the average tax increase per dollar of audit staff salary cost and average tax increase per direct audit hour expended for all of the 19 FTB field offices for the periods January - June 1976, July - December 1976, January - June 1977 and July - October 1977.

TABLE 1

**AVERAGE TAX INCREASE PER DOLLAR OF AUDIT SALARY COST  
AND AVERAGE TAX INCREASE PER DIRECT AUDIT HOUR  
EXPENDED FOR THE 19 FRANCHISE TAX BOARD FIELD OFFICES  
FOR THE PERIOD JANUARY 1976 - OCTOBER 1977**

FIELD OFFICE	Average Tax Increase By Dollar of Audit Staff Salary Cost			Average Tax Increase Per Direct Audit Hour Expended				
	July 1977 - October 1977	January 1977- June 1977	July 1976- December 1976	January 1976 - June 1976	July 1977- October 1977	January 1977 - June 1977	July 1976- December 1976	January 1976 - June 1976
BAKERSFIELD	\$ 2.86	\$27.03	\$ 2.27	\$ 1.04	\$ 68.47	\$343.66	\$ 22.69	\$ 10.59
EL MONTE	2.24	37.82	7.84	28.86	48.43	377.23	75.17	256.84
FRESNO	19.47	5.24	3.68	12.69	385.22	73.64	50.37	165.41
LONG BEACH	20.28	43.10	10.33	14.33	375.32	459.86	112.41	143.74
LOS ANGELES	14.41	48.46	3.09	9.62	337.93	548.56	32.56	93.87
OAKLAND	7.13	21.85	9.00	8.60	184.49	249.76	98.77	85.54
SACRAMENTO	3.77	4.61	2.16	3.21	109.29	57.99	25.60	39.43
SAN BERNARDINO	4.94	7.24	3.88	4.77	144.16	78.50	34.20	40.52
SAN DIEGO	8.45	15.36	15.99	7.25	176.05	165.31	164.60	73.81
SAN FRANCISCO	18.29	19.49	16.26	44.26	336.89	219.93	187.46	506.03
SAN JOSE	8.02	1.79	11.97	28.73	200.46	18.85	133.16	329.50
SANTA ANA	8.79	21.48	3.44	3.88	172.94	237.21	41.49	43.86
SANTA BARBARA	14.20	4.50	3.87	32.98	304.29	56.62	45.38	289.36
SANTA ROSA	6.87	5.25	4.22	6.61	149.72	75.12	58.73	75.94
STOCKTON	2.14	2.84	19.66	1.26	43.88	43.67	256.76	17.09
VAN NUYS	3.01	31.86	16.86	21.23	74.79	372.80	199.74	239.51
WEST LOS ANGELES	7.31	48.31	28.63	24.73	149.47	558.17	326.37	284.59
AVERAGE FOR CALIF. OFFICES	9.98	27.33	11.73	21.09	213.05	307.25	128.85	222.73
CHICAGO	72.94	109.38	18.04	41.56	1,176.55	1,165.81	195.53	417.22
NEW YORK	38.78	69.63	40.75	36.25	718.28	721.00	433.88	374.15
AVERAGE FOR ALL OFFICES	\$24.06	\$ 46.46	\$ 17.33	\$ 26.65	\$ 478.69	\$ 510.84	\$188.96	\$278.23

The information shown in the above table represents only one example of the data generating capabilities that would accrue to the FTB if the information on Form 6549 were automated. This additional information could be used by FTB management to compare 1) the revenue resulting from district office audit activities to a predetermined standard or 2) the revenue resulting from a particular district office's audit activities to other FTB district offices. Automating Form 6549 would provide FTB management with additional information with which to determine if state revenues from corporate audit activities are being maximized, and whether audit personnel are being efficiently and effectively utilized.

Tables 2 and 3 represent two other examples of the additional management information that would be available to FTB management on a timely basis and in a usable format to facilitate an evaluation of the revenue being generated by district office corporate audit activities if Form 6549 were automated.

Table 2 summarizes the average tax increase per direct audit hour for the 19 FTB field offices by audit activity during the period January 1, 1976 through October 31, 1977.

TABLE 2

**SUMMARY OF AVERAGE TAX INCREASES PER  
DIRECT AUDIT HOUR FOR THE 19 FTB FIELD  
OFFICES BY AUDIT ACTIVITY DURING THE  
PERIOD JANUARY 1976 THROUGH OCTOBER 1977**

<u>Period</u>	<u>Corporate Tax</u>			<u>Personal Tax</u>	
	<u>General Corporations</u>	<u>Apportioning In-State</u>	<u>Corporations Out-of-State</u>	<u>Desk Audit</u>	<u>Field Audit</u>
January 1976- June 1976	\$106.60	\$525.95	\$383.56	\$32.87	\$ 46.71
July 1976- December 1976	84.05	236.55	302.64	22.48	57.17
January 1977- June 1977	68.77	518.57	868.70	33.81	62.56
July 1977- October 1977	111.20	283.73	876.11	43.03	221.61

Table 3 summarizes the average tax increase for apportioning out-of-state corporation audits per direct audit hour for the Chicago and New York FTB field offices during the period January 1, 1976 through October 31, 1977.

TABLE 3

SUMMARY OF AVERAGE TAX INCREASES FOR APPORTIONING OUT-OF-STATE CORPORATION AUDITS PER DIRECT AUDIT HOUR FOR THE OUT-OF-STATE FIELD OFFICES DURING THE PERIOD JANUARY 1, 1976 THROUGH OCTOBER 31, 1977

<u>Period</u>	FTB Field Office	
	<u>Chicago</u>	<u>New York</u>
January 1976- June 1976	\$ 417.21	\$ 374.15
July 1976- December 1976	195.53	433.88
January 1977- June 1977	1,165.81	721.00
July 1977- October 1977	1,176.55	718.28

The above two tables clearly demonstrate the extremely high cost/benefit of the out-of-state apportioning corporation audit activities, particularly for the New York and Chicago FTB district offices. The information in Tables 2 and 3 strongly indicates that additional state revenue would be realized from corporate audit activities if additional FTB audit resources were allocated to the New York and Chicago district offices' out-of-state corporate audit activity. This seems particularly true in light of the fact that 15 audit positions have been added to the Chicago and New York offices during the period 1975-76 through 1977-78, and yet the audit cost/benefit for those two offices has increased during that same period. It appears as though the Chicago and New York offices have not as yet reached the point of diminishing returns with regard to audit staff. The FTB has not proposed any increase in the number of additional auditors assigned to its Chicago and New York district offices for fiscal year 1978-79. According to FTB management personnel, the decision as to whether audit staff will be added in the future to the Chicago and New York district offices will be made after the FTB has evaluated the impact the 15 additional audit staff positions have had on revenues resulting from audits.

It appears that if the FTB were receiving timely management information on corporate audit activities, such as that shown in Tables 1, 2 and 3, the FTB could evaluate the revenue resulting from corporate audit activities on a more timely basis. Automating Form 6549 is one means to generate timely, usable management information to facilitate such an evaluation. A complete display of the information developed from our automation of Form 6549 is included as a supplement to this report.

**FTB's Own Studies Have Identified the  
Need for Additional Management  
Information to Facilitate the  
Planning, Measuring and Controlling  
of FTB District Office Activities**

The lack of adequate management information was identified in an FTB Management Information System Feasibility Study which was prepared in February 1975. This study stated in part:

The lack of adequate support for the management process can be attributed in part to the general reliance of existing information systems on manual data gathering and manipulation techniques. Having been created independently, the systems have not utilized, nor could they individually justify more sophisticated techniques and devices. Accordingly, much of the information now produced cannot be provided timely enough or in a sufficient variety of combinations to be fully utilized in planning, measuring and controlling departmental operations. Managing in this environment tends to become an intuitive process.

As the department's operations continue to grow and increase in complexity, there is a growing concern that the existing information systems will not enable management to maintain effective administration of its program responsibilities.

. . . the department's capability to properly manage and enforce its statutory responsibilities will be endangered without a greatly improved information system. Some of the specific operational consequences of not implementing a new system are:

\* \* \*

- Poor utilization of resources.
  - a. Auditors and Collectors working on non-productive accounts or activities.
  - b. Inability to coordinate department-wide resource requirements.

\* \* \*

. . . decreased productivity through inabilitys to level workloads and properly allocate personnel.

A second management information study team produced a draft of a report for the Executive Officer of the FTB in February 1978. This report states in part:

The current information systems, whether manual or automated, have been determined to be inadequate to meet the growing needs of the department. These systems have generally been designed in an independent way to support specific organizational or program needs. As a result, there is little or no data sharing between systems, report formats are not comparable, and similar data are often identified by dissimilar names. This lack of integration of information handicaps the ability to accurately evaluate the operations of the department, particularly across program lines. . . . As the department's operations continue to grow and increase in complexity, there is a concern that the existing information systems will not enable management to maintain effective administration of its program responsibilities.

The FTB Audit Program Bureau has set the following as one of its goals for fiscal year 1978-79:

Strive to identify further specific areas of audit coverage where audit time can be clearly allocated for high cost/benefit results.

By automating certain corporate audit information that is currently compiled on a manual basis, the FTB would be better able to evaluate how effectively the corporate audit objectives are being met. This should assist FTB management in maximizing state tax revenue from corporate audit activities.

IS THE FTB COMPLETING  
CORPORATE AUDITS ON A TIMELY BASIS?

The FTB management information system does not provide headquarters staff with sufficient, timely information regarding the status of corporation audits in progress at the 19 FTB district offices. Without such information it is difficult, costly and time consuming to determine if corporate audits are being completed on a timely basis.

Our review of the FTB's management information shows that 1) FTB management is receiving recurring periodic corporate audit status information on only a limited number of corporate audits; 2) the FTB is not meeting its stated objective with regard to timeliness for a significant number of the corporate audits for which it receives information regarding audit status; and 3) the absence of management information regarding the status of corporate audits in progress limits the FTB's ability to obtain information for budgeting and program review purposes.

Limited Management Information  
Regarding Corporation Audits in Progress

As of September 1977, FTB management was receiving recurring periodic audits in progress status reports on only 277 corporations. The FTB has determined that these are the highest priority corporations for audit. These corporations are major apportioning corporations that are headquartered in California with either assets in excess of one billion dollars or annual sales in excess of \$100 million.

The 277 corporations the FTB was receiving audit status information on as of September 1977 is a very limited number of corporations, particularly in view of the following:

- During 1975, there were 525 major apportioning corporations that were headquartered outside of California and had reported net taxable income in California in excess of \$1 million. Some of these corporations are among the largest in the world; however, none of them are among the 277 corporations for which FTB management was receiving audit status information
- During 1975 there were 477 major apportioning corporations headquartered in California that had reported net taxable incomes in California in excess of \$1 million
- During 1976 there were over 9,000 corporations that reported California net taxable incomes in excess of \$100,000
- During fiscal year 1977-78 the FTB expects to conduct an estimated 18,300 corporation field audits
- As of December 1977, the FTB had 1,061 corporation audits in progress for taxable years prior to 1972
- An estimated 256,000 corporations are doing business in California.

FTB management stated that additional corporate audits in progress status information is maintained at the 19 FTB district offices. However, as of September 1977, FTB management was receiving recurring periodic management information regarding the status of corporation audits in progress on only 277 corporations. FTB management contends that the major problem in centrally monitoring the audit status of additional corporations beyond the 277 is the need to develop a criteria with which to identify the additional corporations to be monitored.

Timeliness of the Highest Priority Corporation Audits

Our review of the FTB's policies on corporation audits revealed little in the way of formal criteria or standards with which to measure or evaluate the timeliness of completing corporation audits. This absence of formal criteria or standards coupled with a general lack of management information regarding the status of corporation audits precludes any practical evaluations of the overall timeliness of FTB corporation audits. The FTB has, however, established a goal regarding timeliness for the 277 highest priority corporation audits it identified and is receiving recurring periodic audit status reports for those corporation audits. However, our review of this information shows that the FTB is not meeting its stated goal regarding audit timeliness for a significant number of these highest priority corporation audits.

As noted in the preceding section, FTB management receives audits in progress status reports for only those limited numbers of corporations that have been identified as highest priority for audit. The audits in progress status report for these highest priority corporation audits is a manually prepared quarterly report that displays various data on the status of audits in progress for any of these corporations. One of the FTB's corporate audit goals is to keep the audits of these 277 highest priority corporations current within the four-year statute of limitations. However, our review of the audits in progress status reports for these 277 corporations revealed that this goal is not being met. For example, the September 1977 quarterly audits in progress status report revealed the following information about the 277 priority audit cases:

- 108 of the 277 listed corporations did not have audits completed beyond 1972
- 12 of the 108 corporations not completed beyond 1972 did not have an auditor currently assigned
- In addition, a comparison of the "Estimated Completion Date of the Audit" shown on the December 1977 and September 1977 audits in progress status reports revealed that the estimated completion dates for audits of these 277 corporations had been moved back 323 cumulative audit months between September and December 1977.

An FTB internal memorandum dated December 27, 1977 further evidences the FTB's inability to stay current on their highest priority corporation audits. The memorandum summarized an FTB committee meeting that was held to discuss the status of the highest priority corporation audits. In part the memorandum states:

... It appears that next year we may fall short of our goal of keeping current on the Major Case audits.

A number of ideas were developed and discussed at the meeting...

\* \* \*

The ideas discussed were as follows...

1. Appoint more Auditors III and Program Specialists.
2. Revise criteria defining "Major Corporation Cases" to reduce their number. This would allow the cases dropped from the major list to be audited by other qualified auditors (such as experienced Auditors II). One method of revision might be to have different criteria apply to different industries. Some industries have well defined reporting guidelines and fewer other complications than other industries (such as financials with no foreign affiliates).
3. Do an abbreviated audit of some years, hitting only the high spots.
4. Audit more years per audit. However, this may be impractical since it would require waivers on the earlier years.
5. Set advance time allowances for each case. This would be estimated from prior audits. Additional audit time would have to be justified by the auditor.
6. Expand the team audit approach. The committee felt that this was the most efficient method of developing auditors' abilities to perform complex audits. This permits Auditors II to assist the team leader, thereby allowing the completion of more major audits. However, it would reduce the number of non-major audits completed.

7. Specialization should again be considered as a means of increasing efficiency on a long-term basis.

Based upon the limited management information available regarding the timeliness of closing corporation audits, it appears that the FTB is not meeting its own criteria of timeliness in many instances. We have not determined whether this situation is pervasive for all of the corporate field audits being conducted by the FTB.

Limited Ability to Obtain Corporate Audit Activity Information

The general absence of management information regarding corporate audit activity limits the FTB's ability to obtain information for budgeting and program review purposes. The following two memoranda from FTB headquarters to its district offices illustrate those limitations:

- On November 18, 1976, the following information was requested by the Sacramento headquarters Audit Program Bureau from its district offices:

The Audit Support Section has been directed to secure historical information concerning the audit activity conducted on cases which have been classified as "Major Corporations". This information will be required to estimate audit time requirements and revenue potential for use in the 1978-79 budget preparation in January of next year.

- On December 28, 1977, the FTB in written testimony, provided to the Assembly Revenue and Taxation Committee a list of the following audits in progress:

Corporation Audits-In-Progress

<u>Income Years</u>	<u>Number</u>	<u>Assessment Amount</u>
Prior to 1957	1	Not determinable
1958-1967	48	Not determinable
1968-1972	<u>1,012</u>	Not determinable
Total	<u>1,061</u>	

To provide the above basic information to the Assembly Revenue and Taxation Committee, FTB management had to send the following memorandum to all of the 19 FTB district office managers:

TO: All District Managers. . .

\* \* \*

District Offices are being directed by Mr. Brash\* to provide immediate response to the following questions:

1. How many corporate returns for taxable years 1957 or before have not yet been closed? What is the dollar magnitude?
2. How many individual returns for taxable year 1957 and before have not yet been closed? What is the dollar magnitude?
3. How many corporate returns for taxable years 1967 and before have not yet been closed? What is the dollar magnitude?
4. How many individual returns for taxable years 1967 and before have not yet been closed? What is the dollar magnitude?
5. How many corporate returns for taxable years 1972 and before have not yet been closed? What is the dollar magnitude?
6. How many individual returns for taxable years 1972 and before have not yet been closed? What is the dollar magnitude?
7. Please explain the delay in closing tax returns.

The above requests for corporation audit activities by the FTB headquarters to its district office manifest the budgeting and program review limitations that are placed on FTB management as a result of the limited management information regarding corporate audit activities that is currently available to FTB management.

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\*Mr. Brash is the FTB Manager of District Offices.

DO OPPORTUNITIES EXIST TO IMPROVE  
THE COMPUTERIZATION OF RELEVANT  
DATA FROM CORPORATE TAX RETURNS?

The FTB currently has computer capacity available to improve the computerization of relevant data from corporate tax returns. In addition, opportunities do exist to improve the computerization of such data in that the FTB does not presently have an automated corporate audit history file to disclose data on audit adjustments, industry classification, size or location of the corporation, etc. Computerization of corporate taxpayer data is currently limited to selected data on page 1 of the four page corporate tax return, and corporate tax returns to be audited are selected through a manual screening system dependent upon individual classifiers. In addition, all actual audits other than math verification of the tax computation on page 1 are conducted manually. There are approximately 256,000 corporations filing tax returns in California.

Additional FTB Computer  
Capacity Is Available

The FTB's current computer capacity is capable of handling additional corporate taxpayer data. In November 1977 the FTB installed a new computer which is projected to handle FTB's workload over the next five years. The new computer is capable of handling additional computerization of relevant data from corporate tax returns. This is evidenced by an FTB memorandum to our office which stated utilization of the new computer, based upon data measurements during the first 30

days after installation, ranged from 30 to 40 percent of capacity depending on the workload,\* thus leaving an unused computer capacity of 60 to 70 percent. In addition, increased computer capacity and a more extensive data storage for corporate returns are possible by augmenting the current computer configuration.

FTB management stated there are no plans to perform additional computer functions for the bank and corporations program area.

The Need for Additional Information on Bank and Corporate Taxpayers

The California Legislature frequently relies on the FTB as an information source when considering amendments to the California Revenue and Taxation Code. During 1977, FTB staff appeared before more than 50 legislative hearings to provide information regarding various aspects of taxation in California. In addition, the FTB may be requested to supply data to the Department of Finance, Legislative Analyst or other state agencies. However, the absence of a complete, automated corporate taxpayer information system limits the FTB's ability to provide accurate and timely corporate tax information to the Legislature and other state agencies.

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\* However, measurements have shown utilization sometimes as high as 80 percent during peak periods.

The rapid growth of multistate and multinational banks and corporations has created an increasingly complex business environment in California. The current corporation information system at the FTB is predominantly a manual system in that the FTB management has not implemented computerized data entry systems for bank and corporate tax returns to establish and operate an automated corporate information system. As a result, the FTB cannot identify the number of multistate and multinational corporations operating in California.

The following recent case illustrates how the absence of a complete corporate information system can result in the FTB preparing questionable estimates of tax consequences resulting from legislation that are based on incomplete corporate taxpayer data.

#### The \$125 Million Estimate

The FTB estimated that \$125 million in state income tax revenues would be lost annually if the State could not tax multinational banks and corporations on a unitary combination basis that includes foreign operations. This estimate was prepared by the FTB in response to the United Kingdom Treaty, which was under consideration in the U.S. Senate. The Franchise Tax Board developed and publicized a projected loss of \$125 million in state tax revenue that would result from passage of the U.K. Treaty.

The FTB first learned of the United Kingdom Treaty (U.K.) in early January 1976 and immediately began to develop an estimate of the negative impact the treaty would have on state tax revenues. The process of calculating the impact on state tax revenue was essentially manual because of the lack of accessible automated data for multinational corporations subject to California income tax.

To estimate the impact the U.K. Treaty would have on state tax revenues the FTB selected 50 multinational corporations from 335 major multinational corporations that they had manually collected information on since 1973. The FTB then attempted to identify the impact which eliminating corporate operations outside the United States would have on California taxes for these corporations. The FTB noted that corporations in the oil and gas industries would benefit the most from the passage of the treaty, and they were analyzed separately.

We reviewed the FTB's procedures regarding the development of the \$125 million estimate of state tax revenue losses that would result from the treaty's passage. We noted that the exact number of multinational corporations operating in California and their state taxable income was unknown at the time of the \$125 million estimate and remains unknown today. The FTB estimate of \$125 million in lost state tax revenues that would result from the passage of the U.K. Treaty assumes that there are only 335 multinational corporations operating in California. However, in response to a request from the Auditor General's Office, the FTB prepared a revised estimate of the number of multistate and multinational corporations doing business in California during income year 1975. The FTB estimated that there were 39,759 key, parent or

subsidiary corporations doing business in California during income year 1975 that were also doing business in other states and that 4,346 of these corporations were also multinational. It should be noted that this estimate is based upon a sample of 849 corporations and took the FTB approximately three weeks to prepare.

In addition to the absence of adequate information regarding the number of corporations that would be affected by the passage of the U.K. Treaty, the \$125 million estimate of state revenue loss prepared by the FTB is questionable because of deficiencies in the methodology used by the FTB in developing the estimate. These deficiencies are as follows:

- FTB's judgmental selection of the sample introduced bias and precludes projecting the sample results to the population from which the sample was drawn. A review of FTB memoranda revealed that the method of selecting the 50 corporations was not random, therefor, no statistical inference can be made from the sample selected by the FTB.
- FTB's arbitrary elimination of certain corporations from the sample of 50 corporations introduced additional bias and precludes projecting the sample results to the population from which the sample was drawn. For example, an FTB memo describing the methodology used to develop the \$125 million estimate states that 10 corporations were eliminated from the sample of 50 corporations because they did not report a state net income for 1974.

- FTB management arbitrarily discounted the impact of the U.K. Treaty by 50 percent for the non-gas and oil industries. According to FTB records, this was done to allow for bargaining on the issues. As a result, the FTB arbitrarily reduced its estimated California tax revenue loss, that would occur if the U.K. Treaty was ratified, from approximately \$123 million for non-oil and gas industry corporations, to \$60 million.
- The FTB methodology erroneously assumed a homogeneous population of multinational corporations. Each multinational corporation is unique. The extent of foreign operations and the profitability of those operations will vary with each corporation. In addition, each income year is unique and must be considered separately. According to FTB personnel, the multinational corporate community is constantly changing due to the development, sale and purchase of U.S. and foreign subsidiaries. Consequently, the FTB method of extending the worldwide combination operations of 40 sampled corporations into a universe of 335 unique corporations is of questionable statistical validity.

The preparation of the estimate of the questionable \$125 million tax revenue loss resulting from the passage of the U.K. Treaty demonstrates that the current FTB corporate taxpayer data collection and

retrieval system limits FTB's ability to develop timely and accurate data on bank and corporate taxpayers. The development of a more sophisticated data collection and retrieval system through expanded computer utilization would enhance the FTB's ability to obtain and disseminate more reliable and timely information on corporations doing business in California and to determine how these corporations and the state would be affected by changes in the Revenue and Taxation Code.

The Need For Corporate Audit  
History Data To Selectively  
Audit Corporate Returns

The processing and auditing of an estimated 256,000 corporate tax returns by the FTB is predominantly a manual system. The FTB has recognized the advantages and benefits of automating the processing and audit selection of personal income tax returns, but has not extended these same concepts to the corporate tax area.

Recognizing the deficiencies of manual processing procedures, in 1972 the FTB implemented the Automated Selection of Returns for Audit (ASTRA) for personal income tax returns to systematically select for audit those returns which have the greatest potential for compliance value or cost/benefit return. Prior to ASTRA's introduction, the selection of personal income tax returns for field audit was often merely a matter of professional judgment on the part of the FTB's district office manager. Desk auditing of personal income tax returns at the central office was a tedious process of essentially scanning millions of individual tax returns. Today, the automated ASTRA system allows the selection of those individual tax returns for audit based upon

their potential for audit adjustment. The same process could be applied to corporate returns. Additionally, the Internal Revenue Service has recognized and implemented prioritizing corporation returns for audit. They have developed a point scoring system based on predetermined criteria to select corporate returns for audit. The FTB has not.

Desk Audits of Corporate Returns are Not Cost Beneficial

Corporation desk audits\* are currently conducted by the FTB at its Aerojet Center. During fiscal year 1976-77 an estimated 26 FTB auditors manually examined (scanned) 171,772 general corporation tax returns. This examination process is intended to help meet FTB management's objective of reviewing 100 percent of corporation returns. During fiscal year 1976-77, general corporation desk audits resulted in the issuance of 5,737 tax change notices totaling \$5 million in additional tax assessments. However, when compared with other FTB audit activities general corporation desk audits are one of the least cost beneficial.

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\* A desk audit refers to the process where by an auditor reviews a tax return at his desk as opposed to meeting with the taxpayer and examining his records.

**Office of the Auditor General**

As Table 4 below illustrates, during the past four fiscal years FTB desk audits of general corporations have only resulted in tax changes on 1.7 to 3.5 percent of the total number of general corporation tax returns desk audited. When compared with the percentage of tax changes on returns examined resulting from other corporate audit activities, the desk audit's percentage of tax change to returns examined is very low. For example, in fiscal year 1976-77 general corporation desk audits yielded tax change results on only 3.3 percent of the returns examined. The next lowest adjustment percentage was 13.8 percent for desk audits of apportioning corporations, while the highest adjustment percentage of 72.3 percent occurred in field audits of out-of-state apportioning corporations.

TABLE 4

COMPARATIVE STATEMENT OF PERCENT OF TAX CHANGE TO RETURNS EXAMINED AND TAX CHANGE PER DOLLAR OF COST  
FOR FISCAL YEAR 1973-74 TO 1976-77\*

	Federal Audit Report**	Desk Audit General Corporations	Desk Audit Apportioning Corporations	Field Audit General Corporations	Field Audit In-State Apportioning Corporations	Field Audit Out-of-State Apportioning Corporations	Verification
<b>Fiscal Year 1976-77:</b>							
Percent of Tax Changes on Returns Examined	61.1%	3.3%	13.8%	15.4%	52.4%	72.3%	45.7%
Tax Change Per Dollar of Cost	\$ 78.09	\$ 6.47	\$ 3.73	\$ 4.78	\$13.52	\$15.11	\$59.29
<b>Fiscal Year 1975-76:</b>							
Percent of Tax Changes on Returns Examined	60.4%	3.5%	9.8%	17.8%	63.0%	75.1%	40.2%
Tax Change Per Dollar of Cost	\$ 85.35	\$ 3.35	\$15.10	\$15.67	\$ 9.17	\$12.99	\$25.83
<b>Fiscal Year 1974-75:</b>							
Percent of Tax Changes on Returns Examined	97.0%	3.0%	6.4%	9.0%	28.6%	40.1%	29.6%
Tax Change Per Dollar of Cost	\$ 56.78	\$11.35	\$ 8.53	\$ 3.62	\$16.84	\$22.32	\$ 9.57
<b>Fiscal Year 1973-74:</b>							
Percent of Tax Changes on Returns Examined	64.5%	1.7%	12.9%	15.0%	28.1%	69.3%	27.7%
Tax Change Per Dollar of Cost	\$106.06	\$10.29	\$16.46	\$ 5.37	\$17.84	\$21.75	\$ 5.75

\* Based on data presented in Franchise Tax Board Operations Reports for the Fiscal Years 1973-74, 1974-75, 1975-76 and 1976-77.

\*\* Federal Audit Reports - Audits based on copies of Federal Revenue Agents' Reports secured from the taxpayer or the Internal Revenue Service.

Table 4 also shows that the desk audit process is one of the lowest cost/benefit return corporate audit functions performed by the FTB when compared with cost/benefit return of other corporate audit functions. For example, in fiscal year 1975-76 the tax change per dollar of cost for general corporations was \$3.35 while the next lowest tax change per dollar of cost was the field audit of apportioning corporations at \$9.17.

The FTB has not developed any system for prioritizing the order in which general corporation returns will be desk audited. The auditor selects the files to be desk audited from any one of the files assigned to the auditor. The auditor has no basis for determining the potential for tax change prior to reviewing the return. This system requires that all returns be reviewed since neither the auditor nor management knows in what portion of the universe the tax returns with the greatest potential for change lie. If the FTB had corporate audit histories available, it could use such information to develop criteria for selecting corporate tax returns for audit, much the same as it does for personal income tax returns using ASTRA and the IRS does for corporate tax returns. In fact, the FTB has already determined that model selection criteria can be developed and used to allocate corporate desk audit resources to those corporation tax returns that have the most potential for tax adjustment.

**1976 FTB Corporation  
Study Team Report**

In 1976, the FTB formed a corporation study team headed by the Director of the Audit Program Bureau, who is responsible for recommending changes to all audit programs, both personal and corporate. The corporation study team evaluated approximately 1,600 notices of proposed assessments for general corporations that became final in 1973.\*

Excluding federal revenue agent report adjustments, a total of 726 state tax adjustments were finalized in 1973 totaling \$6,972,300 in additional net state taxes. An analysis of these state tax adjustments identified the ten items most frequently adjusted as a result of audit and the five largest revenue-producing state tax items resulting from the audit.

The corporation study team then developed model selection criteria based upon the identification of the most frequently adjusted or largest revenue-producing state tax items. One hundred-seventy general corporate returns were selected for audit based upon model selection criteria developed as a result of the above notice of proposed assessment study. Subsequent audits of these 170 returns resulted in 80 notices of proposed assessment being issued. Six notices of proposed assessment were subsequently withdrawn after further investigation. The remaining 74 notices of proposed assessments yielded \$41,782 in state tax audit adjustments.

\*Includes original assessments from earlier years.

By using predetermined criteria the study team generated audit adjustments for 43 percent of the 170 corporation tax returns selectively desk audited compared to the general corporation desk audit adjustment rate of 3.3 percent for fiscal year 1976-77. Therefore, by using model selection criteria based upon corporate audit histories to select corporate returns for desk audit, the FTB significantly increased the rate of desk audit adjustments.

The 1976 corporation study team prepared a report which stated in part:

The department does not presently have a corporate audit history file to disclose the type of adjustment, industry code classification, size or location of corporation, etc., from which to develop meaningful models in our audit selection program.

The report recommended:

(the) Management Information Systems Audit Committee continue to coordinate with Information Systems Management to establish an Audit History File.

Based on their study the corporation study team concluded:

The data capture from the NPA study could be developed into a data base that could be utilized in establishing an audit history file and audit models.

Thus far the FTB has not established an automated corporate audit history file to develop audit models for general corporation desk audits.

1977 FTB Corporation Audit Study

A second corporation audit study performed at the FTB during calendar year 1977 demonstrates that the FTB corporate desk audit function is for the most part susceptible to being automated. In this study FTB desk auditors evaluated corporation desk audit adjustments made for the last half of income year 1973-74 and the first half of income year 1974-75. As part of this evaluation, the desk auditors noted whether the adjustments made in four specific audit categories required the type of analysis typically performed by an auditor. For the purposes of this evaluation, an auditor analysis was considered necessary if the auditor had to refer to an attached schedule to make an audit adjustment.

These four specific corporate audit categories produced 810 desk audit adjustments. Of these 810 desk audit adjustments, the FTB desk auditors identified 567 as not requiring the type of analysis typically performed by an auditor. As a result, 70 percent of the desk audit adjustments made for the above four categories of audit adjustment are susceptible to being made on an automated basis.

Based on these study results, it appears feasible to develop an automated general bank and corporate audit history file that could be used to select returns for audit that have the best potential for producing audit adjustments and to use automated processes to identify many of the desk audit adjustments that are currently being made on a manual basis. Such a process could improve the efficiency of the FTB general corporation desk audit function and allow the FTB to either do a more thorough desk

audit of those corporation returns selected for audit or reallocate some of the existing general corporation desk auditors to other corporate audit activities.

Opportunity to Extend Math Verification  
of General Corporation Tax Returns

The FTB currently performs automated mathematical verification on corporate returns for the tax computation only. The FTB has not 1) designed a computer program to verify mathematical calculations beyond the first page of the corporate return or 2) successfully coordinated with the Internal Revenue Service (IRS) to use their extended math verification tapes although both agencies have the same California-based corporations reporting to them.

The present FTB system does not validate any mathematical computations on corporate tax returns beyond page 1 of the return and is limited to multiplication of the correct corporate tax rate to the reported taxable income. The IRS has developed computer programs that extend mathematical verification beyond the first page of the corporate return.

On January 28, 1976 the FTB formed a corporation study team to review certain areas within the bank and corporation system. Among other things, the corporation study team calculated, based upon a statistical sample, that extended math verification on a manual basis for general corporation tax returns would not generate a significant positive cost benefit, but recognized the advantages of obtaining the IRS's automated extended math verification tapes.

The corporation study team recommended that:

. . . top management of the department negotiate with the Internal Revenue Service to acquire their annual math verification tape relating to California-based corporate taxpayers.

In spite of the above recommendation, top FTB management has had a limited role in attempting to obtain the needed IRS tapes. During the last three and one-half years, only sporadic negotiations have been conducted with the IRS in an unsuccessful attempt to obtain the IRS computer tapes. Management personnel have stated that these IRS tapes would be of value to them, but that lengthy negotiations are necessary when dealing with the IRS, and that these negotiations have, at times, resulted in the IRS refusing to supply the FTB with requested information. A review of memoranda between FTB and IRS and interviews with FTB management indicates that the refusals by the IRS to supply corporate taxpayer data have not been appealed to the Director of the IRS.

The current manual system of processing and auditing corporate tax returns is the result of management decisions not to further automate the existing system. FTB management personnel have stated "there are no existing plans for using computers for corporate auditing nor have we begun development of a corporate key data entry system similar to the I.R.S."

FTB management contends that the decision not to automate corporate data is because the apportioning corporate taxpayers file their tax returns in greatly varying manners, and as a result data would be difficult to key punch. In addition, management has stated the costs of

such a system do not warrant the benefits received in return. However, FTB management has not contracted or performed a comprehensive cost/benefit study to show the advantages and/or disadvantages of implementing and operating an automated system for general corporations that would allow benefits such as extended math verification. One means of expanding the automation of corporate tax returns would be for the FTB to make a concerted effort to acquire IRS Extended Math Verification Tapes for California-based corporations. These tapes would provide an economical means of expanding the automation of corporate tax returns.

OPPORTUNITIES TO ENHANCE  
THE FTB'S MANAGEMENT  
INFORMATION SYSTEM

Our review of the FTB management information systems revealed that FTB management is not receiving sufficient and timely information to determine whether state tax revenue is being maximized and to ensure timely closure of corporate audits. We also determined that opportunities exist to improve the computerization of relevant data from corporate tax returns.

We conclude the FTB could enhance its management information systems by implementing the following suggestions.

Opportunities to Enhance FTB's  
Management Information To Help  
Insure The Maximization of State Revenues  
From Corporate Audit Activities

To improve Franchise Tax Board's management information systems and enhance its ability to maximize state revenue from corporate audit activities, the FTB may wish to consider the following opportunities:

- Automate the data provided on Form 6549 which is currently summarized manually to provide for additional cost/benefit data and more timely and complete management information on field audit activities in progress

- The FTB Executive Director implement the recommendations regarding management information on corporate audit information made by FTB's management information system study team and Audit Program Bureau.

Opportunities To Enhance FTB Management Information To Help Assure Timely Closure of Corporate Audits

The current information on corporate field audit activities appears to limit FTB management's ability to monitor and assure timely closure of corporate audits. Opportunities to improve the current management information system on field corporate audit activities are available. The FTB may wish to consider the following opportunities:

- Develop management information on corporate audit activities in progress beyond the September 1977, priority list of 277
- Expand the data presently shown on the priority audit listing to include data on audit days expended, estimated audit days to completion, original and revised completion dates and reasons for delays or changes in completion dates.

Opportunities to Enhance  
Computerization of Relevant  
Corporate Tax Return Data

The FTB's current computer capacity appears sufficient to handle additional corporate taxpayer data, with a possible need for some augmentation of the current computer configuration.

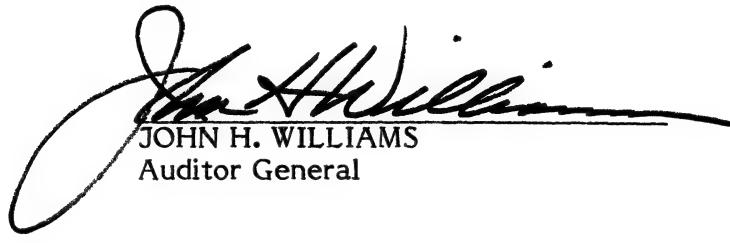
The current system of manually collecting data on corporate taxpayers and the manual audit selection system limits FTB's ability to provide timely and complete data on corporate taxpayers and appears to frequently result in audits of general corporations with low potential for tax change.

Opportunities to enhance the existing corporate tax return data appear possible. We suggest the following:

- The FTB develop a corporate audit history file to disclose the type of adjustments, industry code classification, size or location of corporation, etc., from which data on the corporate universe could be drawn for reports and studies. This could aid in developing meaningful models for a corporate audit selection program
- The FTB's Executive Director follow the recommendations of the FTB corporate audit study team that "top management should negotiate with the Internal Revenue Service to acquire their annual math verification (error resolution) tape."

We suggest the FTB Executive Director review the opportunities to enhance the FTB's management information systems, determine their feasibility of implementation, and report to the FTB within 90 days on their potential.

Respectfully submitted,



JOHN H. WILLIAMS  
Auditor General

Date: June 30, 1978

Staff: Gerald A. Silva, Audit Manager  
Richard B. Howard  
Kenneth A. Mason  
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Edwin H. Shepherd

**Memorandum**

To : John Williams  
Auditor General  
Joint Legislative Audit Committee  
925 L Street, Suite 750  
Sacramento, CA 95814

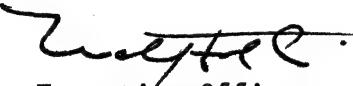
Date : June 29, 1978

File No.:

From : Martin Huff

Subject: Your letter of June 26, 1978 (your 710.1)

Attached is our response to the draft report on the audit of this department. We understand it will be included in the final report to be released by the Joint Legislative Audit Committee.

  
Executive Officer

Attach.

An Evaluation

by the

Franchise Tax Board Staff

of the

REPORT OF

THE OFFICE OF THE AUDITOR GENERAL

to

THE JOINT LEGISLATIVE AUDIT COMMITTEE

on

OPPORTUNITIES TO IMPROVE

THE FRANCHISE TAX BOARD'S

MANAGEMENT INFORMATION SYSTEM

June, 1978

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Evaluations (See Cross Reference Table)	7

CROSS REFERENCE TABLE

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II FTB's Own Studies Have Identified Need for Additional Management Information to Facilitate the Planning, Measuring and Controlling of FTB District Office Activities	14, 15	9
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## INTRODUCTION

We have made an evaluation of the report of the Auditor General dated June, 1978. The three specific questions directed to him by the Joint Audit Legislative Committee and his responses thereto all appeared to revolve around the adequacy of the present corporate audit management information system and whether computerization of the system, or a revised system, would be beneficial in maximizing state revenue from corporation audit activities and improving timeliness of audit completions.

We agree that automation of manual information systems presently used by the Department could accelerate the accomplishment of management reports. However, we do not believe that changes to these systems would have any substantial effect on the timeliness of audit completions. Management can and does make appropriate decisions utilizing present systems.

There is present central processing unit capacity available to process additional data from corporate returns and our audit management information systems.

The Auditor General has placed significant emphasis on "maximizing the state's revenue" and application of our audit resources strictly on the basis of cost/benefits priorities. We believe it is important to point out that our audit programs are designed to foster self-compliance which, in the final analysis, is the most productive program. This requires a balance of audit effort which looks at the entire corporation tax base and requires a mix of high volume taxpayer contact obtained through a desk audit technique, a geographical dispersion of field audit effort obtained through assigning audit cases that are often marginal from a revenue production standpoint and an inclusion of a reasonable selection of low priority field audits in a cross-section of our entire universe. (See Auditor's Note 1.)

The Franchise Tax Board has increased its "gross tax change" 63 percent in the four-year period from F/Y 1972-73 to F/Y 1976-77. <sup>1/</sup>

In the Auditor General's report, on Table I, page 9, for corporation audits the "Average Tax Increase by Dollar of Audit Staff Salary Cost", the average return for all district offices has increased from \$26.65 for the first six months period in 1976 to \$46.46 for an equivalent period in 1977.

1/ Franchise Tax Board Operation Reports - F.Y. 1972-73 through F.Y. 1976-77.

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Auditor's Note 1: This "balance of audit effort" is not applied to personal income taxes for which the selection of returns for audit are those with the highest potential to produce audit change adjustments. No explanation is provided for this apparent contradiction.

AUDITOR GENERAL'S RECOMMENDATIONS

AND

THE FRANCHISE TAX BOARD'S RESPONSES THERETO

June, 1978

OPPORTUNITIES TO ENHANCE FTB'S MANAGEMENT INFORMATION TO HELP  
ENSURE THE MAXIMIZATION OF STATE REVENUES FROM CORPORATE AUDIT ACTIVITIES

The Auditor General has made two specific proposals under the subject heading on pages 41 and 42 of his report "To improve Franchise Tax Board's management information systems and enhance its ability to maximize state revenue from corporate audit activities, the FTB may wish to consider the following opportunities:"

1. "Automate the data provided on Form 6549 which is currently summarized manually to provide for additional cost/benefit data and more timely and complete management information on field audit activities in progress."

**Response:** We believe that the forms utilized by our district offices and similar forms in various stages of development in the audit sections should be manually compiled pending further ongoing reviews of the values of an automated system.

2. "The Executive Director implement the recommendations regarding management information on corporate audit information made by the FTB's management information system study team and Audit Program Bureau."

**Response:** These recommendations are a part of our total information system. The department concurred with the basis of the information study team and Audit Program Bureau report.

OPPORTUNITIES TO ENHANCE FTB MANAGEMENT INFORMATION TO  
HELP ASSURE TIMELY CLOSURE OF CORPORATE AUDITS

The Auditor General has made two specific proposals under this subject heading on Page 41 of his report. "The current information on corporate field audit activities appears to limit FTB management's ability to monitor and assure timely closure of corporate audits. Opportunities to improve the current management information system on field corporate audit activities are available. The FTB may wish to consider the following opportunities:"

1. Develop management information on corporate audit activities in progress beyond the September 1977 priority list of 277.

Response: This was already a Departmental goal.

2. "Expand the data presently shown on the priority audit listing to include data on audit days expended, estimated audit days to completion, original and revised completion dates and reason for delays or changes in completion dates."

Response: While the additional information could be provided with clerical effort on the part of our audit staff, we believe the benefit would be marginal and non-productive. The responsibility for the timely completion of field audits rests with the district managers and their audit supervisors. The auditor's form 6549 provides information on the status of individual audit cases assigned including date received and current and cumulative hours expended. The form does not provide information needed to make decisions on future audit workloads. This requires professional judgement by the district office manager. Program management tests the performance of that responsibility through its quality review effort.

OPPORTUNITIES TO ENHANCE COMPUTERIZATION OF

RELEVANT CORPORATE TAX RETURN DATA

The Auditor General has made three specific proposals under the subject heading on pages 42 and 43 of his report headed "Opportunities to Enhance the Existing Corporate Tax Return Data Appear Possible:"

1. "The FTB develop a corporate history file to disclose the type of adjustments, industry code classification, size or location of corporation, etc. from which data on corporate universe could be drawn for reports and studies. This could aid in developing meaningful models for a corporate audit selection program."

**Response:** This is basically a recommendation of our own corporation study team to be considered in conjunction with our evaluation of the department-wide management information system.

2. "The FTB's Executive Director follow the recommendation of the FTB corporate audit study team that "Top management should negotiate with the Internal Revenue Service to acquire their annual math verification (error resolution) tape."

**Response:** The department has been actively negotiating to receive this tape and will continue to do so until a satisfactory resolution is achieved.

3. "We suggest the FTB Executive Director review the opportunities to enhance the FTB's management information systems, determine their feasibility of implementation, and report to the FTB within 90 days on their potential."

**Response:** Our present manual system contains adequate information to allow our managers and the Audit Program Bureau to evaluate the audit programs.

**EVALUATIONS  
OF  
AUDITOR GENERAL'S COMMENTS**

**(53)**

OPPORTUNITIES TO INCREASE MANAGEMENT INFORMATION

REGARDING DISTRICT FIELD OFFICE AUDIT ACTIVITIES

The Auditor General contends the department should data enter the information contained on the Form 6549 and design a program to automate these analytical reports for all district offices. It appears that the report does not recognize the rationale behind this form or its present stage of development.

The FTB, in the development of its audit programs, designed Form 6549 which the auditors use to account for all of their time in various operating categories. At the present time, this form serves several purposes. It enables the auditor to account for all of his cases that are in process and the current monthly activities. In addition, at the district office level, it enables the supervisor to determine whether the auditors are utilizing time in an appropriate manner. At the audit program level, the 6549 summary received from the district offices enables it to prepare summary reports which compare the various office programs and allows us to recommend program budget priorities. The form is presently summarized manually, not by an Auditor II position, but as a clerical operation.

The example shown on Table 1, page 9, and Table 2, page 11, reflect 6549 summaries automated at a resource cost of 38 hours of data entry time and 13 hours of program time bears further comment. The rationale for summarizing the 6549 and other sectional input forms on a manual basis rather than through data processing techniques is to develop the manual information system to the point where meaningful data is being captured.

The summary of the 6549 reports are used by department in making numerous management decisions. However, comparisons of audit results for short periods of time have no meaning. A small district office with little or no production for a three-month period might, in fact, be doing an excellent job of auditing on several large corporations where the results would not be reflected until a subsequent period.

Page 13 of the Auditor General's report makes the statement that Tables 2 and 3 on page 11 and 12 clearly demonstrate the extensive high cost/benefit return to auditor activities, particularly in New York and Chicago offices.

This rationale does not reduce the audit cost/benefit ratio to the appropriate workload sub-element. Our audit program format prioritizes our workloads and mandates that the major cases be accomplished first in the New York and Chicago offices. Our analysis shows that the major corporations are producing the greatest return for audit resources expenditures. We are auditing all major cases presently assigned to the eastern offices now. As the department has always done in the past, we will continue to match present and potential workloads to available resources and make appropriate budget recommendations.

FTB'S OWN STUDIES HAVE IDENTIFIED THE NEED FOR ADDITIONAL  
MANAGEMENT INFORMATION TO FACILITATE THE PLANNING, MEASURING,  
AND CONTROLLING OF FTB DISTRICT OFFICE ACTIVITIES

The Auditor General makes the statement that if the department were receiving timely management information on corporate activities, as shown in his tables, it could evaluate the revenue resulting from corporate audit activities on a more timely basis.

The timeliness of this information is not a critical factor. The clerical effort presently takes approximately 120 hours to summarize. The same information acquired by EDP means would only accelerate the process by a week or 10 days. This might be convenient at critical times of the year, i.e., at budget preparation time, but during any other periods, the information is used only for identifying trends and would not substantially increase our operating effectiveness.

One of the primary uses of the 6549 is for control by audit supervisors and district managers. The information is used immediately after preparation by the auditor for review of audit case status. The 6549 information accumulated at Central Office is for long-term trends.

The excerpt on page 15 is from the Audit Program Bureau's information study team that concluded its studies in February, 1978, and relates solely to information needs identified by the various audit managers. The dialogue was intended to advise departmental management of the study team's concerns that an automated management information system had points of merit and that further study would be warranted. Departmental management concurred with the basis of the report.

IS THE FTB COMPLETING CORPORATE AUDITS  
ON A TIMELY BASIS?

The Auditor General states that the Department is not completing corporate audits on a timely basis. The philosophy of the Department is to assign the responsibility for timely completion of corporation audits to the 19 district office managers. While the goal of reviewing and completing returns within the four-year statute period is desirable, it is not always practical.

The Assembly Revenue and Taxation Committee has previously asked the department to respond on the reasons for delays in some corporate audits. The reasons were generally determined to be as follows:

The taxpayer recently filed a claim, protest, appeal or court action which caused audit activity to be initiated.

The State Board of Equalization has not rendered a decision on the taxpayer's case.

The State Board of Equalization has not rendered a decision on another taxpayer's case with comparable issues.

The Internal Revenue Service has not rendered a decision on the taxpayer's case.

The Internal Revenue Service has not rendered a decision on another taxpayer's case with comparable issues.

The court has not rendered a decision on another taxpayer's case with comparable issues.

The department does not believe that an automated information system would substantially change the audit timetable of corporations affected by these circumstances as substantial research on the part of the taxpayer or the department is necessary to accumulate the factual information necessary to resolve the audit issue.

Audits are complete timely when not affected by the above circumstances or other external factors.

LIMITED MANAGEMENT INFORMATION REGARDING

CORPORATION AUDITS IN PROGRESS

The statements of the Auditor General on page 16 relating to the maintenance of a more definitive set of management reports for the 277 largest corporations headquartered in California concluded that like information for the balance of our corporate universe was potentially desirable and would be helpful in achieving the department's corporate audit goals.

This record-keeping system was a test designed for two purposes: (1) to establish a sub-element of our corporation program workload to assure that the highest priority was given to these major corporate audits and that the results would be tracked separately through our management information system, (2) to assure that expert audit resources in the California district offices are assigned to these cases utilizing a talent pool basis from all our district offices rather than assigning these corporations specifically to that district office where the geographical headquarters of the taxpayer is located.

We agree with the Auditor General's observation, on pages 17 and 18 of his report, that expanding the monitoring of large corporation audits would be beneficial and plans for this expansion are being developed.

Page 17 of the report states that during fiscal year 1977/78, the department expects to conduct an estimated 18,300 corporation field audits. This figure does not represent corporation field audits but, rather, reflects the total number of returns contained in each audit case. These returns include various tax years for the same taxpayer as well as parent and subsidiary returns. This total volume is contained in the department's expected corporation field audit workload of approximately 2,750 audit cases in the 1977/78 fiscal year.

Each district manager is furnished a printout which identifies all corporations headquartered within the district. The manager is expected to select returns from this listing within the statutory period and to complete the audits in a timely fashion.

The Quality Review Section has the responsibility of monitoring to see that this is achieved.

## TIMELINESS OF THE HIGHEST PRIORITY CORPORATION AUDITS

On page 20, the Auditor General's Report refers to an internal memorandum dated December 27, 1977 which he states gives evidence of the department's inability to stay current on high priority corporate audits. This memorandum was issued as a result of a meeting of technicians involved in the major case audit program in the southern part of the state. It reflected some opinions and suggested courses of action of a member of this ad hoc group.

The potential problems that were mentioned did not develop. In the final analysis, the audit resources available were able to complete the major case assignments in a competent and timely manner.

On page 21, the Auditor General states that the general absence of management information limits the department in obtaining information for budget and program review purposes. The first memorandum in support of his statement, dated November 18, 1976, was circulated at the start of the major case management program and was an effort to derive start-up information toward tracking these major corporations. His second reference to a memorandum of December 28, 1977 relates to information that was required from the district offices in response to the Assembly Revenue and Taxation Committee's request for information on corporate audits in progress. More specifically, they requested audits in progress relating to particular income year categories. The district manager has responsibility for timely completion of corporate audits. Therefore, requesting this information for the benefit of the Legislature was proper. It does not reflect a breakdown of timely completion of audits.

It must be understood that as managers we accumulate information we believe necessary for the managing of internal programs. We could not develop and cost justify an information program that could be responsive to all requests.

ADDITIONAL FRANCHISE TAX BOARD COMPUTER CAPACITY  
IS AVAILABLE

Pages 24 and 25 discuss generally the ability of current computer hardware to absorb additional corporate audit input. We think that the discussion of computer capacity reflects a common and often criticized attitude on the part of governmental entities to utilize capacity to its maximum notwithstanding the inadequate justification of the need for the information.

The cost of any proposed computer program goes far beyond computer capacity. The type of information system proposed by the Auditor General would impact our data entry, programmer, and line units resulting in a significant cost factor. Additional storage capacity also would be required.

THE NEED FOR ADDITIONAL INFORMATION ON  
BANK AND CORPORATE TAXPAYERS

On page 25, the report refers to the need of the Legislature to obtain information from the department on the economic effects of proposed legislation. While a more complete automated information system would provide more comprehensive data, it would not be cost/beneficial to the department's primary responsibility to protect the state's revenue base.

On page 30, the Auditor General refers to the need for automation to effect a more specific selection of corporate returns for audit. He states that the present selection processes are basically manual and compares this system with the automatic method used for personal income tax purposes. He states that the Internal Revenue Service has recognized the need for prioritizing corporate returns and the department has not. The essential system that the department uses is in effect a form of model selection. The universe is clerically sorted into broad categories. Those corporate returns having no real audit potential are eliminated in this process. The balance of the returns generally fall within two categories:

1. Apportioning corporations with complex reporting requirements that would require a high degree of perfection before they could be input into a data base.
2. General corporation returns that are presently processed through our desk audit system.

The department's audit efforts are complemented by Internal Revenue Service's audit selection system as we receive copies of Federal adjustments. Our audit selections cover cases not audited by the Internal Revenue Service.

DESK AUDITS OF CORPORATE RETURNS

ARE NOT COST BENEFICIAL

On pages 31 through 33, the Auditor General discusses the results of our desk audit system. On page 31, he states that 26 auditors manually scanned and/or audited 171,772 general corporate tax returns in F.Y. 1976/77. The staff actually expended only 6.2 direct audit work years of resources in this endeavor. The nonapportioning corporation universe representing 171,772 returns was screened by clerical personnel using criteria established by the audit staff. This clerical screening process eliminated about 36% of nonapportioning returns from auditor review. Consequently, for F.Y. 1976/77, auditors desk examined approximately 100,000 nonapportioning returns. Efforts are continually made to eliminate nonproductive returns.

On page 32, the Auditor General states that during the past four fiscal years the desk audits of general corporations have only resulted in tax changes on 1.7 to 3.5 percent of the total number of general corporation tax returns desk audited. He compares this to the other corporate audit activities which range much higher and suggests that this is poor application of resources. The desk audit function actually serves three purposes: one is a selection of corporate returns to recommend assignment to the field audit function; second is the perfection of the classification of the returns; the third is the actual audit function.

We believe that if we further subdivide the workload element to reflect the various functions in the desk audit area that the cost/benefit ratio of \$3.35 per dollar of cost as referred to on page 33 of the Auditor General's report would be much higher. However, we have not subdivided the three functions of the desk audit section since the commitment of total resources is so minor.

On pages 33 through 35, the Auditor General discusses further the potential for the selection of specific audit models in the desk audit function. We agree that it is possible to define a system wherein certain model characters that are highly productive of audit change can be identified and segregated for early audit action. Costs could preclude implementation of such system. Study in this area is continuing.

1976 FTB CORPORATION STUDY TEAM REPORT

On pages 35 through 39, the Auditor General refers to a study team's considerations of an automated processing system for corporations and its final recommendations to top management. While he has taken a number of comments directly from those reports, we believe they are taken out of context and do not reflect the final recommendations of the study team members. The Audit Program Bureau, in closing discussion with the Auditor General, had informed him that the desire on the part of the team to fully automate the corporate audit sequence could not be cost/justified based on the department's internal needs. The team explored the methods utilized by the Internal Revenue Service in arriving at its selection systems and math verification program. The data available from the Internal Revenue Service would enable the department to develop a model selection program and to obtain any math verification benefits without duplication of effort.

When we succeed in obtaining the Internal Revenue Service Business Master File and its Math Verification (error resolution) Tape, we will have enough information to develop an automated system at relatively low cost.

In conclusion, while we would like to have all this information in our own system and in our own particular formats, we reiterate that we cannot cost/justify an independent automated system. In view of the present constraint on state operating expenditures, we cannot support this course of action at this time.

REPORT OF THE  
OFFICE OF THE AUDITOR GENERAL

SUPPLEMENTARY APPENDICES TO

710.1

OPPORTUNITIES TO IMPROVE THE  
FRANCHISE TAX BOARD'S  
MANAGEMENT INFORMATION SYSTEM

JUNE 1978

## INTRODUCTION

These Supplementary Appendices are issued in conjunction with the report of the Office of the Auditor General to the Joint Legislative Audit Committee, Report 710.1, "Opportunities To Improve The Franchise Tax Board's Management Information System."

The data included in this supplement, as referred to on pages 6 through 13 of the above mentioned report, was developed by the Auditor General's Office through the automation of raw data included on FTB'S form 6549--FTB District Office Audit Activities.

The data presented in this supplement is for informational purposes only. The Office of the Auditor General makes no conclusions on the data provided in the following appendices.

APPENDIX A

AVERAGE TAX INCREASE\* AND AVERAGE GROSS TAX CHANGE  
PER DOLLAR OF AUDIT SALARY COST FOR ALL  
FTB FIELD OFFICES

All Audit Activities	A-2
General Corporations	A-3
Apportioning Corporations	
- In-State	A-4
- Out-of-State	A-5
Exempt Corporations	A-6
Personal Income Tax	
- General Desk	A-7
- General Field	A-8
- Estate and Trusts	A-9
- Nonresident	A-10
- Partnerships	A-11

\* "Tax Increase" refers to proposed additional revenue resulting from audits while "Gross Tax Change" is the sum of proposed additional revenue and proposed revenue reductions resulting from audit activities.<sup>1a</sup> The FTB uses the "Gross Tax Change" concept when presenting statistical summaries of their audit productivity.

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DOLLAR OF SALARY COST FOR ALL FBI FIELD OFFICES  
FOR AUDIT ACTIVITIES

For the Period January 1976 to October 1976

	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
	7/77-	1/77-	1/76-	7/77-	1/77-	1/76-
FIELD OFFICE	10/77	6/77	12/76	6/76	6/77	6/76
BAKERSFIELD	\$2.86	\$27.03	\$2.27	\$1.04	\$3.14	\$29.15
EL MONTE	\$2.24	\$37.82	\$7.84	\$28.86	\$3.71	\$56.98
FRESNO	\$19.47	\$5.24	\$3.68	\$12.69	\$20.27	\$5.28
LONG BEACH	\$20.28	\$43.10	\$10.53	\$14.53	\$22.63	\$51.79
LOS ANGELES	\$14.41	\$48.46	\$3.09	\$9.62	\$14.54	\$48.65
OAKLAND	\$7.13	\$21.85	\$9.00	\$8.60	\$7.64	\$22.03
SACRAMENTO	\$3.77	\$4.61	\$2.16	\$3.21	\$3.80	\$4.80
SAN BERNARDINO	\$4.94	\$7.24	\$3.88	\$4.77	\$5.02	\$7.28
SAN DIEGO	\$8.45	\$15.36	\$15.99	\$7.25	\$9.35	\$16.71
SAN FRANCISCO	\$18.29	\$19.49	\$16.26	\$44.26	\$19.94	\$19.82
SAN JUDE	\$8.02	\$1.79	\$11.97	\$28.73	\$10.40	\$1.88
SANTA ANA	\$8.79	\$21.48	\$3.44	\$3.88	\$9.98	\$23.60
SANTA BARBARA	\$14.20	\$4.50	\$3.87	\$32.98	\$14.21	\$4.68
SANTA ROSA	\$6.87	\$5.25	\$4.22	\$6.61	\$8.05	\$5.65
STOCKTON	\$2.14	\$2.84	\$19.66	\$1.26	\$2.40	\$2.90
VAN NUYS	\$3.01	\$31.86	\$16.86	\$21.23	\$3.20	\$42.22
WEST LOS ANGELES	\$7.31	\$48.31	\$28.63	\$24.73	\$7.67	\$50.15
IN STATE OFFICES	\$9.98	\$27.33	\$11.73	\$21.09	\$11.01	\$31.98
CHICAGO	\$72.94	\$109.38	\$18.04	\$41.56	\$82.05	\$112.25
NEW YORK	\$38.78	\$69.63	\$40.75	\$36.25	\$40.50	\$71.44
ALL OFFICES	\$24.06	\$46.46	\$17.33	\$26.65	\$26.39	\$50.37

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DOLLAR OF SALARY CUS FOR ALL FED FIELD OFFICES

FOR GENERAL CORPORATIONS

For the Period January 1/7/6 to October 1977

	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
FIELD OFFICE	1/7/7- 10/7/7	1/7/7- 6/7/7	1/7/6- 6/7/6	1/7/7- 10/7/7	1/7/7- 6/7/7	1/7/6- 6/7/6
BAKERSFIELD	\$5.96	\$3.73	\$0.72	\$0.55	\$3.73	\$0.80
EL MONTE	\$5.14	\$16.78	\$27.93	\$32.69	\$17.34	\$29.44
FRESNO	\$1.80	\$2.08	\$6.89	\$26.67	\$2.10	\$2.08
LONG BEACH	\$0.92	\$0.48	\$13.04	\$3.40	\$0.92	\$0.48
LOS ANGELES	\$10.01	\$5.47	\$1.91	\$1.30	\$10.01	\$5.59
OAKLAND	\$5.41	\$5.71	\$6.17	\$0.92	\$5.84	\$5.71
SACRAMENTO	\$2.80	\$4.10	\$0.32	\$2.43	\$2.87	\$4.14
SAN BERNARDINO	\$2.41	\$4.57	\$1.26	\$4.39	\$2.55	\$4.57
SAN DIEGO	\$12.47	\$1.83	\$4.17	\$7.98	\$18.27	\$2.00
SAN FRANCISCO	\$0.51	\$7.01	\$1.64	\$15.12	\$0.63	\$7.08
SAN JOSE	\$5.82	\$1.19	\$25.14	\$4.74	\$6.01	\$1.65
SANTA ANA	\$12.62	\$1.45	\$2.17	\$2.60	\$12.62	\$1.52
SANTA BARBARA	\$1.62	\$4.43	\$4.32	\$4.30	\$1.62	\$4.77
SANTA ROSA	\$4.24	\$1.73	\$2.49	\$2.08	\$8.35	\$2.56
STOCKTON	\$0.63	\$3.13	\$14.44	\$1.09	\$0.63	\$3.13
VAN NUYS	\$0.82	\$5.69	\$4.29	\$3.38	\$0.82	\$6.14
WEST LOS ANGELES	\$1.71	\$4.37	\$10.37	\$1.27	\$1.77	\$4.51
IN STATE OFFICES	\$4.61	\$5.76	\$7.46	\$10.96	\$5.01	\$5.94
CHICAGO	\$0.00	\$0.00	\$0.00	\$31.29	\$0.00	\$0.00
NEW YORK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL OFFICES	\$4.61	\$5.76	\$7.46	\$10.07	\$5.01	\$5.94

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DOLLAR OF SALARY COST FOR ALL FED FIELD OFFICES  
FOR IN-STATE AFFILIATING BANKS AND CORPORATION  
For the Period January 1976 to October 1977

	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
FIELD OFFICE	1/77- 10/77	1/77- 6/77	1/76- 6/76	1/77- 10/77	1/77- 6/77	1/76- 6/76
BAKERSFIELD	\$0.00	\$155.70	\$1.67	\$0.11	\$169.32	\$0.11
EL MUNTE	\$1.96	\$58.33	\$5.31	\$44.79	\$90.33	\$65.59
FRESNO	\$150.53	\$0.00	\$2.31	\$42.28	\$157.58	\$0.00
LONG BEACH	\$39.42	\$76.94	\$13.56	\$35.40	\$44.06	\$93.88
LOS ANGELES	\$30.01	\$6.82	\$2.60	\$34.06	\$30.31	\$6.95
OAKLAND	\$15.23	\$53.54	\$19.11	\$27.19	\$16.42	\$53.90
SACRAMENTO	\$3.54	\$6.21	\$5.75	\$0.70	\$3.54	\$7.12
SAN BERNARDINO	\$0.00	\$8.23	\$1.46	\$10.85	\$0.06	\$8.23
SAN DIEGO	\$8.95	\$48.06	\$54.35	\$13.77	\$11.63	\$52.29
SAN FRANCISCO	\$20.88	\$35.80	\$30.98	\$68.92	\$21.46	\$36.25
SAN JOSE	\$10.85	\$0.98	\$9.12	\$98.40	\$16.66	\$0.98
SANTA ANA	\$13.62	\$47.09	\$3.39	\$11.19	\$16.31	\$51.91
SANTA BARBARA	\$44.70	\$0.00	\$8.26	\$149.74	\$44.70	\$0.00
SANTA ROSA	\$16.91	\$1.82	\$4.81	\$3.13	\$16.91	\$1.91
STOCKTON	\$0.00	\$30.39	\$1.85	\$2.43	\$0.00	\$30.39
VAN NUYS	\$2.71	\$57.36	\$37.41	\$84.86	\$2.82	\$77.24
WEST LOS ANGELES	\$12.48	\$73.26	\$46.22	\$24.33	\$13.03	\$75.44
IN STATE OFFICES	\$16.73	\$48.44	\$21.60	\$50.37	\$18.46	\$59.26
CHICAGO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NEW YORK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL OFFICES	\$16.73	\$48.44	\$21.60	\$50.37	\$18.46	\$59.26

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DOLLAR OF SALARY COST FOR ALL FIELD OFFICES  
FOR OUT-OF-SIGLE AUTHORITY BANKS AND CORPORATIONS  
For the Period January 1976 to October 1977

	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
	7/77-	1/77-	7/76-	7/77-	6/77	7/76-
FIELD OFFICE	10/77	6/77	12/76	6/76	10/77	6/76
BAKERSFIELD	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EL MONTE	\$0.00	\$24.37	\$0.00	\$12.11	\$0.00	\$24.37
FRESNO	\$3.36	\$0.00	\$0.49	\$0.00	\$3.36	\$0.00
LONG BEACH	\$22.94	\$47.36	\$2.73	\$2.17	\$27.13	\$48.85
LOS ANGELES	\$7.35	\$156.95	\$0.00	\$0.16	\$7.35	\$157.08
OAKLAND	\$3.25	\$0.00	\$4.72	\$0.00	\$4.54	\$0.00
SACRAMENTO	\$0.00	\$10.85	\$1.16	\$3.10	\$0.00	\$10.86
SAN BERNARDINO	\$59.79	\$1.37	\$0.00	\$34.77	\$59.79	\$1.37
SAN DIEGO	\$3.25	\$4.41	\$1.18	\$9.47	\$4.00	\$6.58
SAN FRANCISCO	\$12.46	\$2.42	\$13.44	\$15.25	\$25.73	\$2.84
SAN JOSE	\$43.54	\$0.00	\$7.75	\$0.00	\$43.54	\$0.00
SANTA ANA	\$0.00	\$24.77	\$4.68	\$0.44	\$0.00	\$26.96
SANTA BARBARA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SANTA ROSA	\$0.00	\$45.31	\$19.15	\$1.49	\$0.00	\$45.31
STOCKTON	\$42.01	\$5.15	\$185.82	\$0.15	\$50.44	\$5.81
VAN NUYS	\$3.71	\$0.93	\$2.32	\$0.34	\$6.43	\$0.93
WEST LOS ANGELES	\$0.01	\$75.01	\$14.55	\$167.11	\$2.75	\$75.01
IN STATE OFFICES	\$11.48	\$29.26	\$10.56	\$27.52	\$18.66	\$29.78
CHICAGO	\$72.94	\$109.38	\$10.04	\$41.56	\$82.05	\$112.25
NEW YORK	\$38.78	\$69.63	\$40.75	\$36.25	\$40.50	\$71.44
ALL OFFICES	\$51.25	\$82.70	\$28.07	\$37.48	\$56.62	\$84.83

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DOLLAR OF SALARY COST FOR ALL FBI FIELD OFFICES

FOR EXEMPT CONFIGURATIONS  
For the Period January 1976 to October 1977

FIELD OFFICE	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
	7/77- 10/77	1/77- 6/77	1/78- 6/78	7/77- 10/77	1/77- 6/77	1/78- 6/78
BAKERSFIELD	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EL MONTE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FRESNO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LONG BEACH	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LOS ANGELES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
OAKLAND	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SACRAMENTO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SAN BERNARDINO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SAN DIEGO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SAN FRANCISCO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SAN JOSE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SANTA ANA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SANTA BARBARA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SANTA ROSA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
STOCKTON	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
VAN NUYS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WEST LOS ANGELES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
IN STATE OFFICES	\$0.00	\$37.66 *	\$0.00	\$0.00	\$40.53 *	\$0.00
CHICAGO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NEW YORK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL OFFICES	\$0.00	\$37.66 *	\$0.00	\$0.00	\$40.53 *	\$0.00

\* Santa Barbara field office reported a tax increase but no salary cost. San Francisco and San Diego reported salary costs but no increases or decreases.

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DOLLAR OF SALARY COST FOR ALL FIB FIELD OFFICES  
FOR PERSONAL INCOME TAX GENERAL DESK AUDITS  
For the Period January 1976 to October 1977

	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
FIELD OFFICE	7/77- 10/77	7/77- 6/77	7/76- 6/76	7/77- 10/77	7/77- 6/77	7/76- 12/76
BAKERSFIELD	\$0.44	\$9.81	\$1.03	\$0.10	\$0.44	\$9.86
EL MUNTE	\$1.98	\$1.30	\$1.44	\$0.49	\$2.01	\$1.48
FRESNO	\$0.94	\$2.24	\$1.88	\$4.77	\$0.94	\$2.24
LONG BEACH	\$1.34	\$4.13	\$2.63	\$0.12	\$1.34	\$4.19
LOS ANGELES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
OAKLAND	\$1.38	\$9.04	\$4.15	\$1.80	\$1.39	\$9.08
SACRAMENTO	\$0.00	\$3.56	\$2.55	\$4.19	\$0.00	\$3.56
SAN BERNARDINO	\$0.00	\$0.00	\$1.28	\$0.00	\$0.00	\$1.33
SAN DIEGO	\$20.34	\$20.86	\$3.73	\$5.58	\$20.34	\$24.24
SAN FRANCISCO	\$1.21	\$1.90	\$3.12	\$7.67	\$1.27	\$1.91
SAN JOSE	\$4.94	\$3.48	\$1.50	\$1.42	\$4.95	\$3.49
SANTA ANA	\$0.00	\$0.00	\$0.00	\$0.36	\$0.00	\$0.00
SANTA BARBARA	\$0.00	\$0.00	\$0.62	\$0.00	\$0.00	\$0.62
SANTA ROSA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
STOCKTON	\$2.56	\$5.68	\$0.00	\$2.56	\$5.83	\$0.00
VAN NUYS	\$0.00	\$0.00	\$0.00	\$0.29	\$0.00	\$0.00
WEST LOS ANGELES	\$0.00	\$16.85	\$6.15	\$0.00	\$17.51	\$7.04
IN STATE OFFICES	\$1.93	\$3.57	\$2.39	\$2.84	\$1.96	\$3.73
CHICAGO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NEW YORK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL OFFICES	\$1.93	\$3.57	\$2.39	\$2.84	\$1.96	\$3.73

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DOLLAR OF SALARY COST FOR ALL FIELD OFFICES  
FOR PERSONAL INCOME TAX GENERAL FIELD AUDITS  
For the Period January 1976 to October 1977

	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
FIELD OFFICE	7/76- 10/77	7/76- 6/77	1/76- 6/76	7/77- 10/77	1/77- 6/77	7/76- 12/76
BAKERSFIELD	\$0.95	\$1.40	\$5.19	\$3.00	\$1.02	\$1.40
EL MONTE	\$1.13	\$2.03	\$7.85	\$3.89	\$1.17	\$2.91
FRESNO	\$7.38	\$13.51	\$4.33	\$5.38	\$7.48	\$13.62
LONG BEACH	\$8.04	\$5.12	\$6.59	\$4.83	\$8.54	\$5.47
LOS ANGELES	\$1.39	\$4.45	\$4.10	\$1.21	\$1.42	\$4.81
OAKLAND	\$4.93	\$3.92	\$2.17	\$3.52	\$5.12	\$4.05
SACRAMENTO	\$5.32	\$4.40	\$3.17	\$3.62	\$5.33	\$4.48
SAN BERNARDINO	\$5.69	\$10.59	\$8.60	\$2.72	\$5.69	\$10.69
SAN DIEGO	\$3.91	\$8.49	\$4.22	\$3.80	\$3.97	\$8.76
SAN FRANCISCO	\$42.29	\$4.68	\$5.74	\$3.51	\$42.29	\$5.05
SAN JOSE	\$3.05	\$3.09	\$7.26	\$3.79	\$3.06	\$3.10
SANTA ANA	\$3.36	\$2.25	\$3.37	\$2.71	\$3.66	\$2.33
SANTA BARBARA	\$4.84	\$4.87	\$2.67	\$9.28	\$4.86	\$5.00
SANTA ROSA	\$6.59	\$8.80	\$6.50	\$10.01	\$6.59	\$9.23
STOCKTON	\$1.10	\$1.32	\$11.47	\$1.78	\$1.12	\$1.33
VAN NUYS	\$4.65	\$4.17	\$4.81	\$8.18	\$4.69	\$4.17
WEST LOS ANGELES	\$2.05	\$6.54	\$3.01	\$8.08	\$2.07	\$6.64
IN STATE OFFICES	\$7.32	\$5.02	\$4.96	\$4.38	\$7.40	\$5.20
CHICAGO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NEW YORK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL OFFICES	\$7.32	\$5.02	\$4.96	\$4.38	\$7.40	\$5.20

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DOLLAR OF SALARY COST FOR ALL FBI FIELD OFFICES

FOR THE PERIOD JANUARY 19/6 TO OCTOBER 19/7

FIELD OFFICE	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
	7/77-	1/77-	7/76-	1/77-	7/77-	1/76-
BAKERSFIELD	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EL MONTE	\$2.71	\$0.33	\$1.28	\$6.17	\$2.71	\$1.64
FRESNO	\$3.46	\$2.92	\$0.00	\$3.46	\$2.92	\$0.00
LONG BEACH	\$0.00	\$0.00	\$0.00	\$5.69	\$0.00	\$5.73
LOS ANGELES	\$4.14	\$9.53	\$5.38	\$16.71	\$4.14	\$9.79
OAKLAND	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SACRAMENTO	\$0.00	\$11.13	\$3.39	\$0.00	\$11.13	\$3.39
SAN BERNARDINO	\$4.94	\$0.00	\$0.00	\$1.28	\$4.94	\$0.00
SAN DIEGO	\$0.00	\$0.00	\$1.07	\$0.78	\$0.00	\$1.21
SAN FRANCISCO	\$5.29	\$4.79	\$0.21	\$4.25	\$6.07	\$4.79
SAN JOSE	\$0.00	\$4.49	\$0.00	\$10.49	\$0.00	\$4.49
SANTA ANA	\$1.93	\$0.00	\$0.00	\$0.00	\$2.13	\$0.00
SANTA BARBARA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SANTA ROSA	\$0.00	\$0.00	\$0.00	\$102.67	\$0.00	\$0.00
STOCKTON	\$0.00	\$0.00	\$126.48	\$0.00	\$0.00	\$201.06
VAN NUYS	\$0.00	\$0.00	\$7.98	\$5.03	\$0.00	\$7.98
WEST LOS ANGELES	\$1.37	\$23.63	\$2.90	\$7.50	\$1.73	\$4.62
IN STATE OFFICES	\$2.86	\$10.38	\$3.47	\$7.54	\$3.40	\$18.11
CHICAGO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NEW YORK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL OFFICES	\$2.86	\$10.38	\$3.49	\$7.54	\$3.40	\$18.11

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
 PER DOLLAR OF SALARY COST FOR ALL FED FIELD OFFICES  
 FOR NONRESIDENT PERSONAL INCOME TAX  
 For the Period January 1976 to October 1977

	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
FIELD OFFICE	7/77- 10/77	1/77- 6/77	7/76- 12/76	1/76- 6/76	7/77- 10/77	1/77- 6/77
BAKERSFIELD	\$ 0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EL MUNIE	\$2.36	\$18.81	\$16.20	\$3.28	\$2.36	\$18.64
FRESNO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LONG BEACH	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LOS ANGELES	\$8.16	\$682.32	\$4.28	\$21.02	\$8.19	\$682.32
OAKLAND	\$0.00	\$0.00	\$13.32	\$0.00	\$0.00	\$14.24
SACRAMENTO	\$0.95	\$6.41	\$0.00	\$34.71	\$0.95	\$6.41
SAN BERNARDINO	\$0.00	\$34.56	\$0.00	\$13.77	\$0.00	\$34.56
SAN DIEGO	\$6.63	\$1.81	\$33.70	\$20.99	\$6.63	\$2.45
SAN FRANCISCO	\$16.43	\$3.31	\$2.84	\$10.54	\$16.43	\$3.42
SAN JOSE	\$0.00	\$0.00	\$109.30	\$15.25	\$0.00	\$0.00
SANTA ANA	\$0.00	\$0.89	\$63.19	\$0.23	\$0.00	\$0.89
SANTA BARBARA	\$0.00	\$0.00	\$3.25	\$5.89	\$0.00	\$0.00
SANTA ROSA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
STOCKTON	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
VAN NUYS	\$5.88	\$3.56	\$42.37	\$16.20	\$5.88	\$3.56
WEST LOS ANGELES	\$0.37	\$2.37	\$0.00	\$0.91	\$0.37	\$2.37
IN STATE OFFICES	\$10.32	\$229.97	\$9.96	\$12.95	\$10.33	\$230.04
CHICAGO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NEW YORK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL OFFICES	\$10.32	\$229.97	\$9.96	\$12.95	\$10.33	\$230.04
						\$10.03
						\$13.28

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DOLLAR OF SALARY COST FOR ALL FIR FIELD OFFICES

FOR PARTNERSHIPS

For the Period January 1976 to October 1977

AVERAGE TAX INCREASES

FIELD OFFICE	7/76- 10/77	7/76- 6/76	1/76- 6/76	7/77- 10/77	1/77- 6/77	7/76- 12/76	1/76- 6/76
BAKERSFIELD	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EL MUNIE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FRESNO	\$14.61	\$0.00	\$0.00	\$0.00	\$14.61	\$0.00	\$0.00
LONG BEACH	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LOS ANGELES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
OAKLAND	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SACRAMENTO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SAN BERNARDINO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SAN DIEGO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SAN FRANCISCO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SAN JOSE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SANTA ANA	\$0.00	\$0.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SANTA BARBARA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SANTA ROSA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
STOCKTON	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
VAN NUYS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WEST LOS ANGELES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
IN STATE OFFICES	\$0.61	\$0.00	\$0.00	\$0.00	\$0.61	\$0.00	\$0.00
CHICAGO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NEW YORK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL OFFICES	\$0.61	\$0.00	\$0.00	\$0.00	\$0.61	\$0.00	\$0.00

APPENDIX B

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DOLLAR OF AUDIT SALARY COST BY AUDIT ACTIVITY

Bakersfield	B-2
El Monte	B-3
Fresno	B-4
Long Beach	B-5
Los Angeles	B-6
Oakland	B-7
Sacramento	B-8
San Bernardino	B-9
San Diego	B-10
San Francisco	B-11
San Jose	B-12
Santa Ana	B-13
Santa Barbara	B-14
Santa Rosa	B-15
Stockton	B-16
Van Nuys	B-17
West Los Angeles	B-18
Chicago	B-19
New York	B-20

For the Period January 1976 to October 1977

For the Period January 1976 to October 1977

AVERAGE TAX INCREASES						AVERAGE GROSS TAX CHANGE
ACCOUNT CODE	1/77-	1/77-	1/76-	1/77-	1/76-	1/77-
B&C GENERAL	\$5.96	\$3.73	\$0.72	\$0.55	\$6.57	\$0.80
B&C APPOINT IN ST	\$0.00	\$155.70	\$1.67	\$0.11	\$0.00	\$1.67
B&C APPOINT OUT ST	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
B&C EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$0.44	\$9.81	\$1.03	\$0.10	\$0.44	\$9.86
PIT GEN FIELD 540	\$0.95	\$1.40	\$5.19	\$3.00	\$1.02	\$1.40
PIT EST&TRST 541	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT RSDNCE 540NR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT PTNSHP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$2.86	\$27.03	\$2.27	\$1.04	\$4.14	\$29.15
						\$2.32
						\$1.04

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DOLLAR OF SALARY COST BY AUDIT ACTIVITY  
FOR EL MUNIE  
For the Period January 1976 to October 1977

ACCOUNT CODE	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
	7/77- 10/77	7/77- 6/77	1/76- 6/76	7/77- 10/77	1/77- 6/77	1/76- 6/76
B&C GENERAL	\$5.14	\$16.78	\$27.93	\$32.69	\$6.44	\$17.34
B&C AFFRT IN ST	\$1.96	\$58.35	\$5.31	\$44.79	\$5.31	\$90.33
B&C AFFRT OUT ST	\$0.00	\$24.57	\$0.00	\$12.11	\$0.00	\$24.37
B&C EXEMPS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$1.98	\$1.30	\$1.44	\$0.49	\$2.01	\$1.48
PIT GEN FIELD 540	\$1.13	\$2.83	\$7.85	\$3.89	\$1.17	\$2.91
PIT EST&FIRST 541	\$2.71	\$0.33	\$1.28	\$6.17	\$2.71	\$0.91
PIT RSDNCE 540NR	\$2.36	\$10.81	\$16.20	\$3.28	\$2.36	\$18.64
PIT PINSHP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$2.24	\$37.82	\$7.84	\$28.86	\$3.71	\$56.98

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DOLLAR OF SALARY COST BY AUDIT ACTIVITY  
FOR FRESNO

For the Period January 1976 to October 1977

ACCOUNT CODE	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
	7/77- 10/77	1/77- 6/77	7/76- 12/76	1/76- 6/76	7/77- 10/77	1/77- 6/77
B&C GENERAL	\$1.80	\$2.08	\$6.89	\$26.67	\$2.10	\$2.08
B&C AIRPORT IN ST	\$150.53	\$0.00	\$2.31	\$42.28	\$157.58	\$0.00
B&C AIRPORT OUT ST	\$3.36	\$0.00	\$0.49	\$0.00	\$3.36	\$0.00
B&C EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DEAR 540	\$0.94	\$2.24	\$1.88	\$4.77	\$0.94	\$2.24
PIT GEN FIELD 540	\$7.38	\$13.51	\$4.33	\$5.38	\$7.38	\$13.62
PIT ESTATRST 541	\$3.46	\$2.92	\$0.00	\$0.00	\$3.46	\$2.92
PIT RSDNCE 540NR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT FINSHP 565	\$14.61	\$0.00	\$0.00	\$0.00	\$14.61	\$0.00
ALL ACCOUNTS	\$19.47	\$5.24	\$3.68	\$12.69	\$20.27	\$5.28

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DOLLAR OF SALARY COST BY AUDIT ACTIVITY

FOR LONG BEACH

For the Period January 1976 to October 1977

ACCOUNT CODE	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
	7/77-	1/77-	7/76-	7/77-	1/77-	7/76-
B&C GENERAL	\$0.92	\$0.48	\$13.04	\$3.40	\$0.92	\$0.48
B&C AFFORT IN ST	\$39.42	\$76.94	\$13.56	\$33.40	\$44.06	\$93.88
B&C AFFORT OUT ST	\$22.44	\$47.36	\$2.73	\$2.17	\$27.13	\$48.85
B&C EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$1.34	\$4.13	\$2.63	\$0.12	\$1.34	\$4.19
PIT GEN FIELD 540	\$8.04	\$5.12	\$6.59	\$4.83	\$8.54	\$5.47
PIT EST&TRST 541	\$0.00	\$0.00	\$0.00	\$6.69	\$0.00	\$0.00
PIT RSDNCE 540NR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT FINSHP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$20.28	\$43.10	\$10.33	\$14.33	\$22.63	\$51.79

ALL ACCOUNTS

AVERAGE GROSS TAX CHANGE  
6/76-  
6/76

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DOLLAR OF SALARY COST BY AUDIT ACTIVITY  
FOR LOS ANGELES

For the Period January 1976 to October 1977

ACCOUNT CODE	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
	7/77-	1/77-	7/76-	1/77-	1/77-	7/76-
B&C GENERAL	\$10.01	\$5.47	\$1.91	\$10.01	\$5.59	\$1.34
B&C APPRT IN ST	\$30.01	\$6.82	\$2.60	\$34.06	\$30.31	\$6.95
B&C APPRT OUT ST	\$7.35	\$156.95	\$0.00	\$0.16	\$7.35	\$157.08
B&C EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN FIELD 540	\$1.39	\$4.45	\$4.10	\$1.21	\$1.42	\$4.81
PIT EST&RST 541	\$4.14	\$9.53	\$5.38	\$16.71	\$4.14	\$9.79
PIT RSDNCE 540NR	\$8.16	\$682.32	\$4.28	\$21.02	\$8.19	\$682.32
PIT PTNSHP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$14.41	\$48.46	\$3.09	\$9.62	\$14.54	\$48.65

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DOLLAR OF SALARY COST BY AUDIT ACTIVITY  
FOR THE PERIOD JANUARY 1976 TO OCTOBER 1977

ACCOUNT CODE	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
	7/77-	1/77-	7/76-	7/77-	1/77-	7/76-
B&C GENERAL	\$5.41	\$5.71	\$6.17	\$0.92	\$5.04	\$5.71
B&C AIRPORT IN ST	\$15.23	\$53.54	\$19.11	\$27.19	\$16.42	\$53.90
B&C AIRPORT OUT \$1	\$3.25	\$0.00	\$4.72	\$0.00	\$4.54	\$0.00
B&C EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$1.58	\$9.04	\$4.16	\$1.80	\$1.39	\$9.08
PIT GEN FIELD 540	\$4.93	\$3.92	\$2.17	\$3.52	\$5.12	\$4.05
PIT EST&FIRST 541	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT RSDNCE 540NR	\$0.00	\$0.00	\$13.42	\$0.00	\$0.00	\$14.24
PIT PNSHP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$7.13	\$21.85	\$9.00	\$8.60	\$7.64	\$22.03
						\$9.78
						\$24.53

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DOLLAR OF SALARY COST BY AUDIT ACTIVITY  
FOR SACRAMENTO

For the Period January 1976 to October 1977

ACCOUNT CODE	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
	7/77-	1/77-	1/76-	7/77-	1/77-	1/76-
B&C GENERAL	\$2.80	\$4.10	\$0.32	\$2.43	\$2.87	\$4.14
B&C AIRPORT IN ST	\$3.54	\$6.21	\$5.75	\$0.70	\$3.54	\$7.12
B&C AIRPORT OUT ST	\$0.00	\$10.85	\$1.16	\$3.10	\$0.00	\$10.86
B&C EXECUTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$0.00	\$3.56	\$2.55	\$4.19	\$0.00	\$3.56
PIT GEN FIELD 540	\$5.32	\$4.40	\$3.17	\$3.62	\$5.33	\$4.48
PIT EST&IRST 541	\$0.00	\$11.13	\$3.39	\$0.00	\$0.00	\$11.13
PIT KSDRCE 540NKR	\$0.95	\$6.41	\$0.00	\$34.71	\$0.95	\$6.41
PIT PTNSHP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$3.77	\$4.61	\$2.16	\$3.21	\$3.80	\$4.80

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Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DOLLAR OF SALARY COST BY AUDIT ACTIVITY

FOR SEN BERNARDINO

For the Period January 19/6 to October 1977

ACCOUNT CODE	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
	7/77-	1/77-	7/76-	7/77-	1/77-	7/76-
B&C GENERAL	\$2.41	\$4.57	\$1.26	\$4.39	\$2.55	\$4.57
B&C APRT IN ST	\$0.00	\$8.23	\$1.46	\$10.85	\$0.00	\$8.23
B&C APRT OUT ST	\$59.79	\$1.37	\$0.00	\$34.77	\$59.79	\$1.37
B&C EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$0.00	\$0.00	\$1.28	\$0.00	\$0.00	\$0.00
PIT GEN FIELD 540	\$5.69	\$10.59	\$8.60	\$2.72	\$5.69	\$10.69
PIT EST&TRST 541	\$4.94	\$0.00	\$0.00	\$1.20	\$4.94	\$0.00
PIT RUDNCE 540NR	\$0.00	\$34.56	\$0.00	\$13.77	\$0.00	\$34.56
PIT PTNSHP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$4.94	\$7.24	\$3.88	\$4.77	\$5.02	\$7.28

Office of the Auditor General

AVVERAGE TAX INCREASE AND AVVERAGE GROSS TAX CHANGE  
PER DOLLAR OF SALARY COST BY AUDIT ACTIVITY  
FOR SAN DIEGO  
For the Period January 1976 to October 1977

	AVVERAGE TAX INCREASES			AVVERAGE GROSS TAX CHANGE		
ACCOUNT CODE	7/77-	7/76-	1/76-	7/77-	1/77-	1/76-
B&C GENERAL	\$17.47	\$1.83	\$4.17	\$7.98	\$18.27	\$2.00
B&C APPOINT IN ST	\$8.95	\$48.06	\$54.35	\$13.77	\$11.63	\$52.29
B&C APPOINT OUT ST	\$5.25	\$4.41	\$1.18	\$9.47	\$4.00	\$6.58
B&C EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$20.34	\$20.86	\$3.73	\$5.58	\$20.34	\$24.24
PIT GEN FIELD 540	\$3.91	\$8.49	\$4.22	\$3.80	\$3.97	\$8.76
PIT EST&FIRST 541	\$0.00	\$0.00	\$1.07	\$0.78	\$0.00	\$1.21
PIT RSDNCE 540NK	\$6.63	\$1.81	\$33.70	\$20.99	\$6.63	\$2.45
PIT PINSHIP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$8.45	\$15.36	\$15.99	\$7.26	\$9.35	\$16.71

ffice of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DOLLAR OF SALARY COST BY AUDIT ACTIVITY  
FOR SAN FRANCISCO

For the Period January 1976 to October 1977

ACCOUNT CODE	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
	7/77-	1/77-	7/76-	7/77-	1/77-	7/76-
B&C GENERAL	\$0.51	\$7.01	\$1.64	\$15.12	\$0.63	\$7.03
B&C APPROX IN ST	\$20.88	\$35.80	\$30.98	\$68.92	\$21.46	\$36.25
B&C APPROX OUT ST	\$12.46	\$2.42	\$13.44	\$15.25	\$25.73	\$2.84
B&C EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$1.21	\$1.90	\$3.12	\$7.67	\$1.27	\$1.91
PIT GEN FIELD 540	\$42.29	\$4.68	\$3.74	\$3.51	\$42.29	\$5.05
PIT ESTABRST 541	\$5.29	\$4.79	\$0.21	\$0.25	\$6.87	\$4.79
PIT RESIDENCE 540NK	\$16.43	\$3.31	\$2.84	\$10.54	\$16.43	\$3.42
PIT FINSHIP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$16.29	\$19.49	\$16.26	\$44.26	\$19.94	\$19.82

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DOLLAR OF SALARY LOST BY AUDIT ACTIVITY

FUR SAN JOSE

For the Period January 1976 to October 1977

ACCOUNT CODE	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
	7/77-	1/77-	7/76-	7/77-	1/77-	7/76-
B&C GENERAL	\$6.82	\$1.19	\$25.14	\$4.74	\$1.65	\$25.39
B&C APPRT IN ST	\$10.85	\$0.98	\$9.12	\$98.40	\$16.66	\$98.43
B&C APPRT OUT ST	\$43.54	\$0.00	\$7.75	\$0.00	\$43.54	\$0.00
B&C EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$4.94	\$3.48	\$1.50	\$1.42	\$4.95	\$1.52
PIT GEN FIELD 540	\$3.05	\$3.09	\$7.26	\$3.79	\$3.06	\$7.43
PIT EST&IRS1 541	\$0.00	\$4.49	\$0.00	\$10.49	\$0.00	\$4.49
PIT RESDNE 540NR	\$0.00	\$0.00	\$109.30	\$15.25	\$0.00	\$112.30
PIT FINSHP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$8.02	\$1.79	\$11.97	\$28.73	\$10.40	\$12.07

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DOLLAR OF SALARY COST BY AUDIT ACTIVITY

FOR SANTA ANA

For the Period January 1976 to October 1977

AVERAGE TAX INCREASES

ACCOUNT CODE	7/77-	1/77-	7/76-	1/76-	7/77-	1/77-	7/76-	1/76-
B&C GENERAL	\$12.62	\$1.45	\$2.17	\$2.60	\$12.62	\$1.52	\$2.47	\$2.60
B&C APPOINT IN ST	\$13.62	\$47.09	\$3.39	\$11.19	\$16.31	\$51.91	\$5.20	\$15.42
B&C REPORT OUT ST	\$0.00	\$24.77	\$4.68	\$0.44	\$0.00	\$26.96	\$4.68	\$0.33
B&C EXEMPT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$0.00	\$0.00	\$0.00	\$0.36	\$0.00	\$0.00	\$0.00	\$0.36
PIT GEN FIELD 540	\$3.36	\$2.25	\$3.37	\$2.71	\$3.66	\$2.35	\$3.79	\$2.72
PIT EST&TRST 541	\$1.93	\$0.00	\$0.00	\$0.00	\$2.13	\$0.00	\$0.00	\$0.00
PIT RESDENCE 540NR	\$0.00	\$0.89	\$63.19	\$0.23	\$0.00	\$0.89	\$63.19	\$0.47
PIT PINSHP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$8.79	\$21.48	\$3.44	\$3.80	\$9.98	\$23.60	\$4.24	\$4.78

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DOLLAR OF SALARY COST BY AUDIT ACTIVITY  
FOR SANTA BARBARA  
For the Period January 1976 to October 1977

	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
ACCOUNT CODE	7/77--	1/77--	1/76--	7/77--	1/77--	1/76--
B&C GENERAL	\$1.62	\$4.43	\$4.32	\$1.62	\$4.77	\$4.30
B&C APPOINT IN ST	\$44.70	\$0.00	\$8.26	\$149.74	\$44.70	\$8.46
B&C APPOINT OUT ST	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
B&C EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$0.00	\$0.00	\$0.62	\$0.00	\$0.00	\$0.62
PIT GEN FIELD 540	\$4.84	\$4.87	\$2.67	\$9.28	\$4.86	\$2.75
PIT EST&TRST 541	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT RESDENCE 540NR	\$0.00	\$0.00	\$3.25	\$5.89	\$0.00	\$3.25
PIT PINSHIP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$14.20	\$4.50	\$3.87	\$32.98	\$14.21	\$4.68

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DOLLAR OF SALARY COST BY AUDIT ACTIVITY

FOR SANIA KUSA

For the Period January 1976 to October 1977

ACCOUNT CODE	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
	7/77-	1/77-	7/76-	7/77-	1/77-	7/76-
B&C GENERAL	\$4.24	\$1.73	\$2.49	\$2.08	\$2.56	\$4.01
B&C AFFORT IN ST	\$16.91	\$1.82	\$4.81	\$3.13	\$16.91	\$1.91
B&C AFFORT OUT ST	\$0.00	\$45.31	\$19.15	\$1.49	\$0.00	\$45.31
B&C EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN FIELD 540	\$6.59	\$8.80	\$6.50	\$10.01	\$6.59	\$9.23
PIT EST&TRST 541	\$0.00	\$0.00	\$0.00	\$102.67	\$0.00	\$0.00
PIT RSDNCE 540NR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT PTNSHP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$6.87	\$5.25	\$4.22	\$6.61	\$8.05	\$5.65
						\$6.82

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DOLLAR OF SALARY COST BY AUDIT ACTIVITY  
FOR STOCKTON  
For the Period January 1976 to October 1977

ACCOUNT CODE	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
	7/77-	1/77-	7/76-	7/77-	1/77-	7/76-
B&C GENERAL	\$0.63	\$3.13	\$14.44	\$1.09	\$0.63	\$3.13
B&C APPORT IN ST	\$0.00	\$30.39	\$1.85	\$2.43	\$0.00	\$30.39
B&C APPORT OUT ST	\$42.01	\$5.15	\$183.82	\$0.15	\$50.44	\$5.81
B&C EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$2.56	\$5.68	\$0.00	\$0.00	\$2.56	\$5.83
PIT GEN FIELD 540	\$1.10	\$1.32	\$11.47	\$1.78	\$1.12	\$1.33
PIT EST&FIRST 541	\$0.00	\$0.00	\$126.48	\$0.00	\$0.00	\$201.06
PIT RSDNCE 540NR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT PTNSHP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$2.14	\$2.84	\$19.66	\$1.26	\$2.40	\$2.90

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DOLLAR OF SALARY COST BY AUDIT ACTIVITY  
FOR VAN NUYS  
For the Period January 1976 to October 1977

ACCOUNT CODE	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
	1/77-	1/77-	1/76-	1/77-	1/77-	1/76-
B&C GENERAL	\$0.62	\$5.69	\$4.29	\$3.38	\$0.82	\$6.14
B&C APPORT IN ST	\$2.71	\$57.36	\$37.41	\$84.86	\$2.82	\$77.24
B&C APPORT OUT ST	\$3.71	\$0.93	\$2.32	\$0.34	\$6.43	\$0.93
B&C EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$0.00	\$0.00	\$0.00	\$0.29	\$0.00	\$0.00
PIT GEN FIELD 540	\$4.65	\$4.17	\$4.81	\$6.18	\$4.69	\$4.17
PIT EST&IRS1 541	\$0.00	\$0.00	\$7.98	\$5.03	\$0.00	\$0.00
PIT RSDNCE 540NR	\$5.88	\$3.56	\$42.37	\$16.20	\$5.88	\$3.56
PIT PTNSHP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$3.01	\$31.86	\$16.86	\$21.23	\$3.20	\$42.22
						\$17.48
						\$25.25

Office of the Auditor General

ACCOUNT CODE	AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE PER DOLLAR OF SALARY COST BY AUDIT ACTIVITY			AVERAGE GROSS TAX CHANGE
	FOR WEST LOS ANGELES	FOR the Period January 1976 to October 1977.	1/76-	
AVERAGE TAX INCREASES				
7/77-	1/77-	7/76-	1/76-	7/77-
10/77	6/77	12/76	6/76	6/77
E&C GENERAL	\$1.71	\$4.37	\$10.37	\$1.77
E&C APPOINT IN ST	\$12.48	\$75.26	\$46.22	\$77.77
E&C APPOINT OUT ST	\$0.01	\$75.01	\$14.55	\$107.76
E&C EXEMPTS	\$0.00	\$0.00	\$0.00	\$173.41
PIT GEN DESK 540	\$0.00	\$16.85	\$6.15	\$14.97
PIT GEN FIELD 540	\$2.05	\$6.54	\$3.01	\$75.01
PIT EST&TRST 541	\$1.37	\$23.63	\$2.90	\$14.97
PIT RSDNCE 540NR	\$0.37	\$2.37	\$0.00	\$0.00
PIT PTNSHP 565	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$7.31	\$48.31	\$28.63	\$24.73
				\$32.39
				\$31.52
				\$50.15
				\$7.67

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AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DOLLAR OF SALARY LOST BY AUDIT ACTIVITY  
FOR CHICAGO  
For the Period January 1976 to October 1977

	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
ACCOUNT CODE	7/77-	1/77-	7/76-	7/77-	1/77-	7/76-
B&C GENERAL	\$0.00	\$0.00	\$0.00	\$31.29	\$0.00	\$0.00
B&C APPOINT IN ST	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
B&C APPOINT OUT ST	\$72.94	\$109.38	\$18.04	\$41.56	\$82.05	\$112.25
B&C EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN FIELD 540	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT EST&TRST 541	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT RSDNCE 540NR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT PINSHP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$72.94	\$109.38	\$18.04	\$41.56	\$82.05	\$112.25

\$22.55  
\$46.07

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DOLLAR OF SALARY COST BY AUDIT ACTIVITY  
FOR NEW YORK

For the Period January 1976 to October 1977

ACCOUNT CODE	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
	7/77- 10/77	1/77- 6/77	1/76- 6/76	7/77- 10/77	1/77- 6/77	7/76- 12/76
ERC GENERAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ERC APPORT IN ST	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ERC APPORT OUT ST	\$38.78	\$69.63	\$40.75	\$36.25	\$40.50	\$71.44
ERC EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN FIELD 540	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT EST&TRST 541	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT RSDNCE 540NR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT FINSHP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$38.78	\$69.63	\$40.75	\$36.25	\$40.50	\$71.44

APPENDIX C

AVERAGE TAX INCREASE\* AND AVERAGE GROSS TAX CHANGE  
PER DIRECT AUDIT HOUR EXPENDED  
FOR ALL FTB FIELD OFFICES

All Audit Activities	C-2
General Corporations	C-3
Apportioning Corporations	
- In-State	C-4
- Out-of-State	C-5
Exempt Corporations	C-6
Personal Income Tax	
- General Desk	C-7
- General Field	C-8
- Estate and Trusts	C-9
- Nonresident	C-10
- Partnerships	C-11

\* "Tax Increase" refers to proposed additional revenue resulting from audits while "Gross Tax Change" is the sum of proposed additional revenue and proposed revenue reductions resulting from audit activities. The FTB uses the "Gross Tax Change" concept when presenting statistical summaries of their audit productivity.

## Office of the Auditor General

#### AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE PER DIRECTOR AUDIT HOUR EXPENDED FOR AUDIT ACTIVITIES

FIELD NOTES

Enc. to the Pelegod Committee 1876 to October 1877

POLY(1,4-PHENYLENE TEREPHTHALAMIDE) 1723

#### AVERAGE TAX INCREASES

FIELD OFFICE	1/77- 10/77	1/77- 6/77	1/76- 12/76	1/76- 6/76	1/77- 10/77	1/77- 6/77	1/76- 12/76	1/76- 6/76
BAKERSFIELD	\$68.47	\$343.66	\$22.69	\$10.59	\$76.15	\$70.64	\$23.27	\$10.65
EL MONTE	\$48.43	\$377.23	\$75.17	\$256.84	\$80.49	\$568.33	\$85.46	\$298.98
FRESNO	\$385.22	\$73.64	\$50.37	\$165.41	\$401.07	\$74.17	\$50.64	\$166.78
LONG BEACH	\$375.32	\$459.86	\$112.41	\$143.74	\$418.73	\$552.59	\$142.49	\$177.73
LOS ANGELES	\$357.93	\$548.56	\$32.56	\$93.87	\$341.00	\$550.73	\$35.40	\$101.06
OAKLAND	\$184.49	\$249.76	\$98.77	\$85.54	\$197.72	\$251.75	\$107.33	\$244.06
SACRAMENTO	\$109.29	\$67.99	\$25.60	\$39.43	\$110.38	\$60.38	\$26.65	\$40.78
SAN BENEDICTO	\$144.16	\$78.50	\$34.20	\$40.52	\$146.44	\$78.94	\$35.07	\$43.01
SAN DIEGO	\$176.05	\$165.31	\$164.60	\$73.61	\$194.84	\$179.89	\$292.09	\$94.15
SAN FRANCISCO	\$336.89	\$219.93	\$187.46	\$506.03	\$367.35	\$225.70	\$189.03	\$507.60
SAN JOSE	\$200.46	\$18.85	\$135.16	\$329.50	\$260.01	\$19.82	\$134.36	\$329.73
SANTA ANA	\$172.94	\$237.21	\$41.49	\$43.86	\$196.26	\$260.61	\$51.10	\$54.00
SANTA BARBARA	\$304.29	\$56.62	\$45.38	\$289.36	\$204.51	\$58.88	\$46.26	\$291.22
SANTA ROSA	\$149.72	\$75.12	\$58.73	\$75.94	\$176.51	\$80.84	\$71.55	\$78.37
STICKTON	\$43.88	\$43.67	\$256.76	\$17.09	\$49.23	\$44.51	\$310.98	\$19.16
VAN NUYS	\$74.79	\$372.80	\$199.74	\$239.51	\$79.39	\$494.00	\$206.99	\$284.89
WEST LOS ANGELES	\$149.47	\$550.17	\$326.37	\$284.59	\$156.98	\$579.42	\$359.35	\$372.84
IN STATE OFFICES	\$213.05	\$307.25	\$128.85	\$222.73	\$235.04	\$359.45	\$145.24	\$254.03
CHICAGO	\$1,176.55	\$1,165.81	\$195.53	\$417.22	\$1,323.39	\$1,196.30	\$244.40	\$462.48
NEW YORK	\$718.28	\$721.00	\$432.83	\$374.15	\$750.25	\$739.67	\$475.98	\$398.98
ALL OFFICES	\$478.69	\$610.84	\$188.96	\$278.23	\$625.22	\$553.77	\$214.31	\$210.55

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DIRECT AUDIT HOUR FOR ALL FIELD OFFICES  
FOR GENERAL OPERATIONS

For the Period January 1976 to October 1977

	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
FIELD OFFICE	7/77-	1/77-	1/76-	7/77-	1/77-	7/76-
BAKERSFIELD	\$131.96	\$51.34	\$7.57	\$5.80	\$145.50	\$8.48
EL MONTE	\$88.12	\$185.08	\$280.10	\$239.73	\$110.49	\$295.21
FRESNO	\$47.93	\$31.22	\$92.60	\$372.17	\$56.07	\$31.22
LONG BEACH	\$17.85	\$6.59	\$162.99	\$34.78	\$17.85	\$6.59
LOS ANGELES	\$271.15	\$63.74	\$19.80	\$11.95	\$271.15	\$65.16
OAKLAND	\$103.23	\$68.79	\$63.10	\$8.71	\$111.32	\$68.79
SACRAMENTO	\$91.39	\$48.11	\$3.68	\$29.96	\$93.67	\$48.51
SAN BERNARDINO	\$89.13	\$51.17	\$12.25	\$39.52	\$94.35	\$51.17
SAN DIEGO	\$384.36	\$20.53	\$43.38	\$75.17	\$401.83	\$22.47
SAN FRANCISCO	\$14.30	\$90.52	\$20.39	\$186.18	\$17.81	\$91.47
SAN JOSE	\$283.73	\$13.50	\$284.28	\$63.57	\$292.95	\$18.66
SANTA ANA	\$268.30	\$15.75	\$29.46	\$28.85	\$268.30	\$16.49
SANTA BARBARA	\$29.76	\$52.46	\$49.29	\$38.76	\$29.76	\$56.46
SANTA ROSA	\$92.11	\$19.42	\$28.43	\$22.85	\$181.10	\$28.71
STOCKTON	\$13.34	\$48.73	\$179.19	\$13.80	\$13.34	\$48.73
VAN NUYS	\$29.12	\$70.73	\$50.26	\$41.83	\$29.12	\$76.34
WEST LOS ANGELES	\$35.47	\$49.57	\$114.58	\$14.63	\$36.65	\$51.17
IN STATE OFFICES	\$111.20	\$68.77	\$84.05	\$106.47	\$120.74	\$70.92
CHICAGO	\$0.00	\$0.00	\$0.00	\$425.00	\$0.00	\$0.00
NEW YORK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL OFFICES	\$111.20	\$68.77	\$84.05	\$106.60	\$120.74	\$70.92
					\$93.67	\$109.68

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DIRECT AUDIT HOUR FOR ALL FIELD OFFICES  
FOR IN-STATE AFFILIATING BANKS AND CORPORATIONS  
For the Period January 1976 to October 1977

	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
	7/77-	1/77-	7/76-	7/77-	1/77-	7/76-
FIELD OFFICE	10/77	6/77	12/76	10/77	6/77	12/76
BAKERSFIELD	\$0.00	\$1,886.63	\$16.29	\$1.50	\$0.00	\$2,051.72
EL MUNTE	\$33.36	\$570.62	\$52.40	\$451.75	\$90.31	\$882.74
FRESNO	\$5,369.14	\$0.00	\$33.94	\$446.36	\$3,526.87	\$0.00
LONG BEACH	\$635.28	\$791.10	\$142.36	\$331.31	\$709.98	\$965.25
LOS ANGELES	\$461.30	\$76.39	\$29.33	\$329.76	\$465.93	\$77.77
OAKLAND	\$360.20	\$595.42	\$231.01	\$302.04	\$388.31	\$599.41
SACRAMENTO	\$75.70	\$76.07	\$85.08	\$9.80	\$75.70	\$87.25
SAN BERNARDINO	\$0.00	\$78.06	\$14.54	\$94.45	\$0.52	\$78.06
SAN DIEGO	\$130.67	\$448.32	\$510.67	\$126.63	\$169.85	\$487.76
SAN FRANCISCO	\$324.41	\$389.89	\$352.39	\$953.86	\$333.46	\$394.79
SAN JOSE	\$221.46	\$10.72	\$105.84	\$1,086.44	\$339.92	\$10.72
SANTA ANA	\$215.24	\$473.80	\$40.83	\$110.20	\$257.71	\$522.31
SANTA BARBARA	\$790.09	\$0.00	\$79.98	\$1,123.07	\$790.09	\$0.00
SANTA ROSA	\$538.96	\$22.01	\$78.20	\$48.07	\$538.96	\$23.11
STOCKTON	\$0.00	\$390.39	\$19.81	\$25.09	\$0.00	\$390.39
VAN NUYS	\$52.14	\$595.48	\$421.49	\$902.32	\$54.36	\$801.87
WEST LOS ANGELES	\$232.44	\$882.02	\$535.42	\$284.66	\$242.76	\$909.08
IN STATE OFFICES	\$283.73	\$518.57	\$236.55	\$525.95	\$313.15	\$634.35
CHICAGO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NEW YORK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL OFFICES	\$263.73	\$518.57	\$236.55	\$525.95	\$313.15	\$634.35

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DIRECT AUDIT HOUR FOR ALL FIFTEEN FIELD OFFICES  
FOR OUT-OF-STATE APPOINTMENTING BANKS AND CORPORATION  
For the Period January 1976 to October 1977

	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
FIELD OFFICE	7/76-	1/77-	7/76-	7/77-	1/77-	7/76-
BAKERSFIELD	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EL MUNIE	\$0.00	\$341.20	\$0.00	\$130.49	\$0.00	\$341.20
FRESNO	\$55.77	\$0.00	\$5.52	\$0.00	\$55.77	\$0.00
LONG BEACH	\$330.26	\$447.98	\$28.21	\$19.30	\$490.58	\$462.14
LOS ANGELES	\$96.51	\$1,472.39	\$0.00	\$1.49	\$96.51	\$1,473.64
OAKLAND	\$41.25	\$0.00	\$47.32	\$0.00	\$57.63	\$0.00
SACRAMENTO	\$0.00	\$155.18	\$11.92	\$40.88	\$0.00	\$155.32
SAN BERNARDINO	\$689.26	\$13.68	\$0.00	\$241.35	\$688.26	\$13.68
SAN DIEGO	\$39.99	\$40.83	\$11.61	\$78.70	\$49.16	\$60.90
SAN FRANCISCO	\$197.88	\$26.94	\$164.68	\$183.44	\$408.67	\$31.66
SAN JOSE	\$630.86	\$0.00	\$85.51	\$0.00	\$630.86	\$0.00
SANTA ANA	\$0.00	\$227.78	\$48.00	\$3.97	\$0.00	\$247.94
SANTA BARBARA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SANTA ROSA	\$0.00	\$494.27	\$175.55	\$12.27	\$0.00	\$494.27
STOCKTON	\$596.65	\$47.98	\$1,801.39	\$1.39	\$716.49	\$54.11
VAN NUYS	\$48.88	\$11.73	\$23.41	\$3.51	\$84.74	\$11.73
WEST LOS ANGELES	\$0.15	\$903.55	\$179.22	\$1,873.22	\$40.95	\$903.55
IN STATE OFFICES	\$172.75	\$310.76	\$118.35	\$292.13	\$280.75	\$316.27
CHICAGO	\$1,176.55	\$1,165.81	\$195.53	\$417.21	\$1,323.39	\$1,196.30
NEW YORK	\$718.28	\$721.00	\$433.86	\$374.15	\$750.26	\$739.67
ALL OFFICES	\$876.11	\$868.70	\$302.54	\$383.56	\$967.91	\$891.09

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DIRECT AUDIT HOUR FOR ALL FIELD OFFICES  
FOR EXEMPT ORGANIZATIONS  
For the Period January 19/6 to October 19/7

	AVERAGE TAX INCREASES		AVERAGE GROSS TAX CHANGE	
FIELD OFFICE	1/6/7- 10/7/7	1/6/7- 6/7/7	1/6/7- 10/7/7	1/6/7- 6/7/7
BAKERSFIELD	\$0.00	\$0.00	\$0.00	\$0.00
EL MONTE	\$0.00	\$0.00	\$0.00	\$0.00
FRESNO	\$0.00	\$0.00	\$0.00	\$0.00
LONG BEACH	\$0.00	\$0.00	\$0.00	\$0.00
LOS ANGELES	\$0.00	\$0.00	\$0.00	\$0.00
OAKLAND	\$0.00	\$0.00	\$0.00	\$0.00
SACRAMENTO	\$0.00	\$0.00	\$0.00	\$0.00
SAN BERNARDINO	\$0.00	\$0.00	\$0.00	\$0.00
SAN DIEGO	\$0.00	\$0.00	\$0.00	\$0.00
SAN FRANCISCO	\$0.00	\$0.00	\$0.00	\$0.00
SAN JOSE	\$0.00	\$0.00	\$0.00	\$0.00
SANTA ANA	\$0.00	\$0.00	\$0.00	\$0.00
SANTA BARBARA	\$0.00	\$0.00	\$0.00	\$0.00
SANTA ROSA	\$0.00	\$0.00	\$0.00	\$0.00
STOCKTON	\$0.00	\$0.00	\$0.00	\$0.00
VAN NUYS	\$0.00	\$0.00	\$0.00	\$0.00
WEST LOS ANGELES	\$0.00	\$0.00	\$0.00	\$0.00
IN STATE OFFICES	\$0.00	\$435.22 *	\$0.00	\$0.00
CHICAGO	\$0.00	\$0.00	\$0.00	\$0.00
NEW YORK	\$0.00	\$0.00	\$0.00	\$0.00
ALL OFFICES	\$0.00	\$435.22 *	\$0.00	\$0.00

C-6

\* Santa Barbara field office reported a tax increase and decrease but no direct hours.  
San Francisco and San Diego reported direct hours but no increases or decreases.

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DIRECT ADD'L HOUR FOR ALL FILE FIELD OFFICES  
FOR PERSONAL INCOME TAX GENERAL DESK AUDITS  
For the Period January 1976 to October 1977

	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
	7/77-	7/76-	1/76-	7/77-	7/76-	1/76-
FIELD OFFICE	10/77	6/77	12/76	5/76	10/77	6/77
BAKERSFIELD	\$6.41	\$83.74	\$6.86	\$6.41	\$84.11	\$7.10
EL MONTE	\$43.95	\$10.86	\$11.56	\$3.71	\$44.75	\$11.90
FRESNO	\$12.14	\$22.07	\$18.26	\$75.05	\$12.14	\$22.07
LONG BEACH	\$37.22	\$41.97	\$27.53	\$3.45	\$37.22	\$42.53
LOS ANGELES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
OAKLAND	\$35.03	\$87.26	\$47.47	\$18.64	\$33.42	\$87.63
SACRAMENTO	\$0.00	\$32.25	\$23.97	\$47.52	\$0.00	\$32.25
SAN BERNARDINO	\$0.00	\$0.00	\$8.69	\$0.00	\$0.00	\$9.01
SAN DIEGO	\$280.43	\$212.60	\$34.90	\$43.14	\$280.43	\$247.00
SAN FRANCISCO	\$23.06	\$17.32	\$28.69	\$77.67	\$24.07	\$17.37
SAN JOSE	\$125.76	\$20.84	\$13.93	\$16.07	\$126.14	\$28.97
SANTA ANA	\$0.06	\$0.00	\$0.00	\$9.04	\$0.00	\$0.00
SANTA BARBARA	\$0.00	\$0.00	\$7.41	\$0.00	\$0.00	\$7.41
SANTA ROSA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
STOCKTON	\$48.30	\$60.95	\$0.00	\$48.30	\$62.62	\$0.00
VAN NUYS	\$0.00	\$0.00	\$0.00	\$5.60	\$0.00	\$0.00
WEST LOS ANGELES	\$0.00	\$203.81	\$51.92	\$0.00	\$211.70	\$59.45
IN STATE OFFICES	\$43.03	\$33.81	\$22.48	\$32.87	\$43.61	\$35.32
CHICAGO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NEW YORK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL OFFICES	\$43.03	\$33.81	\$22.48	\$32.87	\$43.61	\$35.32

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
 PER DIRECT AUDIT HOUR FOR ALL FIELD OFFICES  
 FOR PERSONAL INCOME TAX GENERAL FIELD AUDITS  
 For the Period January 1976 to October 1977

	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
FIELD OFFICE	7/77- 10/77	7/77- 6/77	7/76- 12/76	1/76- 6/76	7/77- 10/77	7/76- 6/77
BAKERSFIELD	\$34.57	\$20.01	\$64.17	\$31.08	\$36.87	\$20.05
EL MONTE	\$44.68	\$31.14	\$71.91	\$31.37	\$46.36	\$32.04
FRESNO	\$200.74	\$228.23	\$74.72	\$63.67	\$200.74	\$230.20
LONG BEACH	\$194.32	\$57.59	\$71.30	\$47.44	\$206.34	\$61.42
LOS ANGELES	\$65.71	\$50.96	\$43.54	\$12.48	\$67.07	\$55.09
OAKLAND	\$190.14	\$46.84	\$22.12	\$31.84	\$197.42	\$48.49
SACRAMENTO	\$157.37	\$64.11	\$44.79	\$44.69	\$157.70	\$65.29
SAN BERNARDINO	\$222.11	\$117.89	\$72.67	\$23.07	\$222.11	\$119.04
SAN DIEGO	\$111.74	\$101.90	\$67.65	\$46.83	\$113.43	\$105.15
SAN FRANCISCO	\$988.24	\$59.62	\$48.50	\$47.01	\$988.37	\$64.39
SAN JOSE	\$98.36	\$41.66	\$100.59	\$42.62	\$98.74	\$41.77
SANTA ANA	\$83.43	\$29.55	\$39.78	\$28.16	\$90.70	\$30.58
SANTA BARBARA	\$134.40	\$65.67	\$35.69	\$86.45	\$135.04	\$67.40
SANTA RUSA	\$136.17	\$115.26	\$72.79	\$105.96	\$136.27	\$120.98
STOCKTON	\$24.31	\$22.47	\$156.83	\$23.00	\$24.92	\$22.57
VAI NUYS	\$170.86	\$62.44	\$62.26	\$87.89	\$172.52	\$62.44
WEST LOS ANGELES	\$53.35	\$69.74	\$33.78	\$94.57	\$53.85	\$70.89
IN STATE OFFICES	\$221.61	\$62.56	\$57.17	\$46.71	\$223.99	\$64.81
CHICAGO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NEW YORK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL OFFICES	\$221.61	\$62.56	\$57.17	\$46.71	\$223.99	\$64.81

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DIRECT AUDIT HOUR FOR ALL 148 FIELD OFFICES

For ESTATES AND TRUSTS

For the Period January 1976 to October 1977

	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
FIELD OFFICE	7/77- 10/77	1/77- 6/77	7/76- 12/76	7/77- 10/77	1/77- 6/77	7/76- 12/76
BAKERSFIELD	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EL MONTE	\$33.20	\$3.17	\$10.82	\$40.28	\$33.20	\$13.93
FRESNO	\$91.45	\$47.43	\$0.00	\$0.00	\$91.45	\$47.43
LONG BEACH	\$0.00	\$0.00	\$0.00	\$48.51	\$0.00	\$0.00
LOS ANGELES	\$76.65	\$172.93	\$53.90	\$159.74	\$76.65	\$177.78
OAKLAND	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SACRAMENTO	\$0.00	\$489.00	\$29.50	\$0.00	\$0.00	\$29.50
SAN BERNARDINO	\$41.58	\$0.00	\$0.00	\$8.07	\$41.58	\$0.00
SAN DIEGO	\$0.00	\$0.00	\$8.43	\$6.93	\$0.00	\$0.00
SAN FRANCISCO	\$127.10	\$41.16	\$1.82	\$36.91	\$165.14	\$41.16
SAN JOSÉ	\$0.00	\$32.66	\$0.00	\$73.90	\$0.00	\$32.66
SANTA ANA	\$44.05	\$0.00	\$0.00	\$0.00	\$48.59	\$0.00
SANTA BARBARA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SANTA ROSA	\$0.00	\$0.00	\$0.00	\$756.00	\$0.00	\$0.00
STOCKTON	\$0.00	\$0.00	\$1,070.87	\$0.00	\$0.00	\$1,702.27
VAN NUYS	\$0.00	\$0.00	\$126.42	\$50.44	\$0.00	\$0.00
WEST LOS ANGELES	\$21.39	\$252.95	\$29.11	\$61.34	\$27.08	\$476.87
IN STATE OFFICES	\$50.86	\$104.77	\$32.32	\$60.12	\$60.50	\$182.76
CHICAGO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NEW YORK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL OFFICES	\$50.86	\$104.77	\$32.32	\$60.12	\$60.50	\$182.76

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DIRECT AUDIT HOUR FOR ALL FIELD OFFICES  
FOR NONRESIDENT PERSONAL INCOME TAX  
For the Period January 1976 to October 1977

	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
FIELD OFFICE	7/77-	1/77-	7/76-	7/77-	1/77-	7/76-
BAKERSFIELD	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EL MUNTE	\$32.58	\$154.84	\$123.78	\$21.37	\$32.58	\$153.42
FRESNO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LONG BEACH	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LOS ANGELES	\$138.14	\$6,871.89	\$37.92	\$175.43	\$138.63	\$6,871.89
OAKLAND	\$0.00	\$0.00	\$124.35	\$6.00	\$0.00	\$0.00
SACRAMENTO	\$8.94	\$64.47	\$0.00	\$293.79	\$8.94	\$64.47
SAN BERNARDINO	\$0.00	\$278.80	\$0.00	\$86.57	\$0.00	\$278.80
SAN DIEGO	\$61.18	\$16.06	\$271.82	\$154.38	\$61.18	\$21.73
SAN FRANCISCO	\$288.78	\$32.76	\$25.26	\$104.32	\$288.78	\$33.83
SAN JOSE	\$0.00	\$0.00	\$803.65	\$102.40	\$0.00	\$825.71
SANTA ANA	\$0.00	\$7.16	\$493.87	\$1.79	\$0.00	\$7.16
SANTA BARBARA	\$0.00	\$0.00	\$26.47	\$49.24	\$0.00	\$0.00
SANTA ROSA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
STOCKTON	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
VAN NUYS	\$67.07	\$33.84	\$389.25	\$142.39	\$67.07	\$33.84
WEST LOS ANGELES	\$5.13	\$21.95	\$0.00	\$8.42	\$5.13	\$21.95
IN STATE OFFICES	\$161.12	\$2,199.55	\$86.82	\$108.44	\$161.26	\$2,200.22
CHICAGO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NEW YORK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL OFFICES	\$161.12	\$2,199.55	\$86.82	\$108.44	\$161.26	\$2,200.22
					\$87.46	\$111.23

Office of the Auditor General

OVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DIRECT AUDIT HOUR FOR ALL FED FIELD OFFICES

FOR PARTNERSHIPS  
For the Period January 1976 to October 1977

	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
FIELD OFFICE	1/77- 10/77	1/77- 6/77	1/76- 12/76	1/77- 6/76	1/77- 6/77	1/76- 6/76
BAKERSFIELD	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EL MONTE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FRESNO	\$138.10	\$0.00	\$0.00	\$138.10	\$0.00	\$0.00
LONG BEACH	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LOS ANGELES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
OAKLAND	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SACRAMENTO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SAN BERNARDINO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SAN DIEGO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SAN FRANCISCO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SAN JOSE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SANTA ANA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SANTA BARBARA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SANTA ROSA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
STOCKTON	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
VAN NUYS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WEST LOS ANGELES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
IN STATE OFFICES	\$13.22	\$0.00	\$0.00	\$0.00	\$13.22	\$0.00
CHICAGO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NEW YORK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL OFFICES	\$13.22	\$0.00	\$0.00	\$0.00	\$13.22	\$0.00

APPENDIX D

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DIRECT AUDIT HOUR EXPENDED BY AUDIT ACTIVITY

Bakersfield	D-2
El Monte	D-3
Fresno	D-4
Long Beach	D-5
Los Angeles	D-6
Oakland	D-7
Sacramento	D-8
San Bernardino	D-9
San Diego	D-10
San Francisco	D-11
San Jose	D-12
Santa Ana	D-13
Santa Barbara	D-14
Santa Rosa	D-15
Stockton	D-16
Van Nuys	D-17
West Los Angeles	D-18
Chicago	D-19
New York	D-20

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DIRECT AUDIT HOUR EXPENDED BY AUDIT ACTIVITY  
FOR BAKERSFIELD

For the Period January 1976 to October 1977

	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
ACCOUNT CODE	1/77-	7/76-	1/76-	1/77-	7/76-	1/76-
==EBC GENERAL	\$131.96	\$51.34	\$7.57	\$5.80	\$145.50	\$51.34
EBC APPOINT IN S1	\$0.00	\$1,866.63	\$16.29	\$1.50	\$0.00	\$2,051.72
EBC APPOINT OUT ST	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EBC EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$6.41	\$63.74	\$6.86	\$0.68	\$6.41	\$84.11
PIT GEN FIELD 540	\$34.57	\$20.01	\$64.17	\$31.08	\$36.87	\$20.05
PIT EST&IRST 541	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT RSDNCE 540NR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT PTNSHP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$68.47	\$343.66	\$22.69	\$10.59	\$75.13	\$370.64
						\$23.27
						\$10.65

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
 PER DIRECT AUDIT HOUR EXPENDED BY AUDIT ACTIVITY  
 FOR E.I. MURIE  
 For the Period January 1976 to October 1977

	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
ACCOUNT CODE	7/77-	1/77-	7/76-	7/77-	1/77-	7/76-
B&C GENERAL	\$88.12	\$185.08	\$280.10	\$289.73	\$110.49	\$191.31
B&C APPOINT IN ST	\$33.36	\$670.02	\$52.40	\$431.73	\$90.31	\$662.74
B&C APPURT OUT ST	\$0.00	\$341.20	\$0.00	\$130.48	\$0.00	\$341.20
B&C EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$43.95	\$10.86	\$11.56	\$3.71	\$44.75	\$12.42
PIT GEN FIELD 540	\$44.68	\$31.14	\$71.91	\$31.37	\$46.36	\$32.04
PIT EST&INSI 541	\$33.20	\$3.17	\$10.82	\$40.28	\$33.20	\$6.67
PIT RSDNCE 540NR	\$32.58	\$154.84	\$123.78	\$21.37	\$32.58	\$153.42
PIT PTNSHP 565	\$0.00	\$0.90	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$48.43	\$377.23	\$75.17	\$256.84	\$80.39	\$568.33

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DIRECT AUDIT HOUR EXPENDED BY AUDIT ACTIVITY

FOR FRESNO

For the Period January 1976 to October 1977

AVERAGE TAX INCREASES

ACCOUNT CODE	7/77-	1/77-	7/76-	1/76-	7/77-	1/77-	7/76-	1/76-
B&C GENERAL	\$47.93	\$31.22	\$92.69	\$372.17	\$56.07	\$31.22	\$92.68	\$372.17
B&C APPORT IN ST	\$3,369.14	\$0.00	\$33.94	\$446.36	\$3,526.89	\$0.00	\$33.94	\$446.36
B&C APPORT OUT ST	\$55.77	\$0.00	\$5.52	\$0.00	\$55.77	\$0.00	\$5.52	\$0.00
B&C EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$12.14	\$22.07	\$18.25	\$75.05	\$12.14	\$22.07	\$18.59	\$81.57
PIT GEN FIELD 540	\$200.74	\$228.23	\$74.72	\$63.67	\$200.74	\$230.20	\$75.26	\$63.67
PIT EST&IRST 541	\$91.45	\$47.43	\$0.00	\$0.00	\$91.45	\$47.43	\$0.00	\$0.00
PIT RSDNCE 540NR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT PTNSHP 565	\$138.10	\$0.00	\$0.00	\$0.00	\$138.10	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$385.22	\$73.64	\$50.37	\$165.41	\$401.07	\$74.17	\$50.64	\$166.78

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DIRECT AUDIT HOUR EXPENDED BY AUDIT ACTIVITY

FOR LONG BEACH  
For the Period January 1976 to October 1977

ACCOUNT CODE	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
	7/77- 10/77	1/77- 6/77	1/76- 12/76	1/75- 6/76	7/77- 10/77	1/77- 6/77
B&C GENERAL	\$17.85	\$6.59	\$169.99	\$34.78	\$17.85	\$6.59
B&C AFFORT IN ST	\$635.28	\$791.10	\$142.36	\$331.31	\$709.98	\$965.25
B&C AFFORT OUT ST	\$330.26	\$447.98	\$28.21	\$19.30	\$390.58	\$462.14
B&C EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$37.22	\$41.97	\$27.53	\$3.45	\$37.22	\$42.53
PIT GEN FIELD 540	\$194.32	\$57.59	\$71.30	\$47.44	\$206.34	\$61.42
PIT EST&TRST 541	\$0.00	\$0.00	\$0.00	\$48.51	\$0.00	\$0.00
PIT RESIDENCE 540NR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT PTNSHP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$375.32	\$459.86	\$112.41	\$143.74	\$418.75	\$552.59

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
 PER DIRECT AUDIT HOUR EXPENDED BY AUDIT ACTIVITY  
 FOR LOS ANGELES  
 For the Period January 1976 to October 1977

	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
ACCOUNT CODE	7/77-	1/77-	1/76-	7/77-	1/77-	1/76-
E&C GENERAL	\$271.15	\$63.74	\$19.80	\$11.95	\$271.15	\$65.16
E&C APPORT IN ST	\$461.30	\$76.39	\$29.33	\$329.76	\$465.93	\$77.77
E&C APPORT OUT ST	\$96.51	\$1,472.39	\$0.00	\$1.49	\$96.51	\$1,473.64
E&C EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN FIELD 540	\$65.71	\$50.96	\$43.54	\$12.48	\$67.07	\$55.09
PIT EST&TRST 541	\$76.65	\$172.93	\$53.90	\$159.74	\$76.65	\$177.78
PIT RSDNCE 540NR	\$138.14	\$6,871.89	\$37.92	\$175.43	\$138.63	\$6,871.89
PIT PTNSHP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$337.93	\$548.56	\$32.56	\$93.87	\$341.00	\$550.73

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DIRECT AUDIT HOUR EXPENDED BY AUDIT ACTIVITY

FOR OAKLAND  
FOR THE PERIOD January 1976 to October 1977

	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
ACCOUNT CODE	7/77-	7/77-	1/76-	7/77-	1/77-	1/76-
B&C GENERAL	\$103.23	\$68.79	\$63.10	\$8.71	\$111.32	\$68.79
B&C APPOINT IN ST	\$360.20	\$595.42	\$231.01	\$302.04	\$388.31	\$594.41
B&C APPOINT OUT ST	\$41.25	\$0.00	\$47.32	\$0.00	\$57.63	\$0.00
B&C EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$33.03	\$87.25	\$47.47	\$18.64	\$33.42	\$87.63
PIT GEN FIELD 540	\$190.14	\$46.84	\$22.12	\$31.84	\$197.42	\$48.49
PIT EST&TRST 541	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT RSDNCE 540NR	\$0.00	\$0.00	\$124.35	\$0.00	\$0.00	\$132.99
PIT PTNSHP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$184.49	\$249.76	\$98.77	\$85.54	\$197.72	\$251.75
						\$107.33
						\$244.06

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DIRECT AUDIT HOUR EXPENDED BY AUDIT ACTIVITY

FOR SACRAMENTO  
For the Period January 1976 to October 1977

	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
ACCOUNT CODE	7/77-	7/76-	1/76-	7/77-	1/77-	1/76-
B&C GENERAL	\$91.39	\$49.11	\$3.68	\$29.96	\$93.67	\$48.51
B&C APPRT IN ST	\$75.70	\$76.07	\$85.08	\$9.80	\$75.70	\$87.25
B&C APPRT OUT ST	\$0.00	\$155.18	\$11.92	\$40.88	\$0.00	\$155.32
B&C EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$0.00	\$32.25	\$23.97	\$47.52	\$0.00	\$32.25
PIT GEN FIELD 540	\$157.37	\$64.11	\$44.79	\$44.69	\$157.70	\$65.29
PIT EST&IRS1 541	\$0.00	\$69.00	\$29.50	\$0.00	\$0.00	\$89.00
PIT RSDNCE 540NR	\$8.94	\$64.47	\$0.00	\$293.79	\$8.94	\$64.47
PIT PTNSHP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$109.29	\$57.99	\$25.60	\$39.43	\$110.38	\$60.38

## Office of the Auditor General

OVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
FOR DIRECT AUDIT HOUR EXPENDED BY AUDIT ACTIVITY  
FOR SAN BERNARDINO  
For the Period January 1976 to October 1977

	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
ACCOUNT CODE	7/77-	7/78-	7/79-	7/77-	7/78-	7/79-
E&C GENERAL	\$89.13	\$51.17	\$12.25	\$39.52	\$94.35	\$51.17
E&C AIRPORT IN ST	\$0.00	\$78.06	\$14.54	\$94.45	\$0.52	\$78.06
E&C AIRPORT OUT ST	\$688.26	\$13.68	\$0.00	\$341.35	\$688.26	\$13.68
E&C EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$0.00	\$0.00	\$8.69	\$0.00	\$0.00	\$0.00
PIT GEN FIELD 540	\$222.11	\$117.89	\$72.67	\$23.07	\$222.11	\$119.04
PIT EST&INST 541	\$41.58	\$0.00	\$0.00	\$6.07	\$41.58	\$0.00
PIT RSDNCE 540NR	\$0.00	\$278.80	\$0.00	\$86.57	\$0.00	\$278.80
PIT PTNSHP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$144.16	\$78.50	\$34.20	\$40.52	\$146.44	\$78.94

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DIRECT AUDIT HOUR EXPENDED BY AUDIT ACTIVITY

FOR SAN DIEGO  
FOR THE PERIOD January 1976 to October 1977

AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
ACCOUNT CODE					
7/77-	1/77-	1/76-	7/77-	1/77-	1/76-
10/77	6/77	12/76	6/76	6/77	6/76
===== B&C GENERAL	\$384.36	\$20.53	\$43.38	\$76.17	\$401.83
B&C APPT IN ST	\$130.67	\$448.52	\$510.67	\$126.63	\$169.85
B&C APPT OUT ST	\$39.99	\$40.83	\$11.61	\$78.70	\$49.16
B&C EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$280.43	\$212.60	\$34.90	\$43.14	\$280.43
PIT GEN FIELD 540	\$111.74	\$101.90	\$47.65	\$46.83	\$113.43
PIT EST&TRST 541	\$0.00	\$0.00	\$8.43	\$6.93	\$0.00
PIT RSDNCE 540NR	\$61.18	\$16.06	\$271.82	\$154.38	\$61.18
PIT PTNSHP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
All Accounts	\$176.05	\$165.31	\$164.60	\$73.81	\$194.84
					\$179.89
					\$292.09
					\$94.15

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DIRECT AUDIT HOUR EXPENDED BY AUDIT ACTIVITY

FOR SAN FRANCISCO

For the Period January 1976 to October 1977

AVERAGE TAX INCREASES

ACCOUNT CODE	7/77-	1/77-	7/76-	1/76-	7/77-	1/77-	7/76-	1/76-
B&C GENERAL	\$14.30	\$40.52	\$20.39	\$196.18	\$17.81	\$91.47	\$20.39	\$187.80
B&C APPRT IN \$1	\$324.41	\$389.89	\$352.39	\$953.86	\$353.46	\$394.79	\$355.55	\$954.38
B&C APPRT OUT \$1	\$197.88	\$26.94	\$164.68	\$183.44	\$408.67	\$31.66	\$164.70	\$190.67
B&C EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$23.06	\$17.32	\$28.69	\$77.67	\$24.07	\$17.37	\$28.70	\$77.67
PIT GEN FIELD 540	\$988.24	\$59.62	\$48.50	\$47.01	\$988.37	\$64.39	\$49.26	\$48.56
PIT EST&TRST 541	\$127.10	\$41.16	\$1.82	\$36.91	\$165.14	\$41.16	\$1.82	\$36.98
PIT RSDNCE 540NK	\$288.78	\$32.76	\$25.26	\$104.32	\$288.78	\$33.93	\$25.75	\$104.66
PIT FTNSHP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$336.89	\$219.93	\$187.46	\$506.03	\$367.35	\$223.70	\$189.03	\$507.60

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DIRECT AUDIT HOUR EXPENDED BY AUDIT ACTIVITY

FOR SAN JOSE

For the Period January 1976 to October 1977

	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
ACCOUNT CODE	7/77-	1/77-	1/76-	7/77-	1/77-	7/76-
B&D GENERAL	\$283.73	\$13.50	\$284.28	\$63.57	\$292.95	\$18.66
B&C APPOINT IN ST	\$221.46	\$10.72	\$105.84	\$1,086.44	\$339.92	\$10.72
B&C APPOINT OUT ST	\$630.86	\$0.00	\$85.51	\$0.00	\$630.86	\$0.00
B&C EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$125.76	\$28.84	\$13.93	\$16.07	\$126.14	\$28.97
PIT GEN FIELD 540	\$98.36	\$41.65	\$100.59	\$42.62	\$98.74	\$41.77
PIT EST&FIRST 541	\$0.00	\$32.66	\$0.00	\$73.90	\$0.00	\$32.66
PIT RSDNCE 540NR	\$0.00	\$0.00	\$803.65	\$102.40	\$0.00	\$0.00
PIT PTNSHP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$200.46	\$18.85	\$133.16	\$329.50	\$260.01	\$19.82

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DIRECT AUDIT HOUR EXPENDED BY AUDIT ACTIVITY  
FOR SANTA ANA  
For the Period January 1976 to October 1977

	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
ACCOUNT CODE	7/77- 10/77	7/76- 6/77	1/76- 6/76	7/77- 10/77	1/77- 6/77	7/76- 6/76
B&C GENERAL	\$268.30	\$15.75	\$29.46	\$28.83	\$268.30	\$16.49
B&C APPORT IN ST	\$215.24	\$473.80	\$40.83	\$110.20	\$257.71	\$522.31
B&C APPORT OUT ST	\$0.00	\$227.78	\$48.00	\$3.97	\$0.00	\$247.94
B&C EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$0.00	\$0.00	\$0.00	\$9.04	\$0.00	\$0.00
PIT GEN FIELD 540	\$83.43	\$29.55	\$39.78	\$28.16	\$90.70	\$30.58
PIT ESTAT/ST 541	\$44.05	\$0.00	\$0.00	\$0.00	\$48.59	\$0.00
PIT RESDNE 540NR	\$0.00	\$7.16	\$493.87	\$1.79	\$0.00	\$7.16
PIT PTNSHP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$172.94	\$237.21	\$41.49	\$43.86	\$196.26	\$260.61
						\$51.10
						\$54.00

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DIRECT AUDIT HOUR EXPENDED BY AUDIT ACTIVITY

FOR SANTA BARBARA

For the Period January 1976 to October 1977

ACCOUNT CODE	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
	7/77- 10/77	1/77- 6/77	1/76- 6/76	7/77- 10/77	1/77- 6/77	1/76- 6/76
BAC GENERAL	\$29.76	\$52.46	\$49.24	\$38.76	\$29.76	\$56.46
BAC APPURT IN ST	\$790.09	\$0.00	\$79.98	\$1,123.07	\$790.09	\$0.00
BAC APPURT OUT ST	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BAC EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$0.00	\$0.00	\$7.41	\$0.00	\$0.00	\$7.41
PIT GEN FIELD 540	\$134.40	\$65.67	\$35.69	\$86.45	\$135.04	\$67.40
PIT EST&FIRST 541	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT RSDNCE 540NR	\$0.00	\$0.00	\$26.47	\$49.24	\$0.00	\$26.47
PIT PINSHP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$304.29	\$56.62	\$45.38	\$289.36	\$304.51	\$58.88

\$46.26

\$291.22

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DIRECT AUDIT HOUR EXPENDED BY AUDIT ACTIVITY

FOR SANTA ROSA

For the Period January 1976 to October 1977

	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
ACCOUNT CODE	1/77-	1/77-	1/76-	1/77-	1/77-	1/76-
B&C GENERAL	\$92.11	\$19.42	\$28.43	\$22.85	\$181.10	\$45.90
B&C APPORT IN ST	\$538.96	\$22.01	\$78.20	\$48.07	\$538.96	\$23.11
B&C APPORT OUT ST	\$0.00	\$494.27	\$175.55	\$12.27	\$0.00	\$494.27
B&C EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN FIELD 540	\$136.17	\$115.26	\$72.79	\$105.96	\$136.27	\$120.98
PIT EST&TRST 541	\$0.00	\$0.00	\$0.00	\$756.00	\$0.00	\$0.00
PIT RSDNCE 540NR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT PTNSHP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$149.72	\$75.12	\$58.73	\$75.94	\$175.51	\$80.84

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DIRECT AUDIT HOUR EXPENDED BY AUDIT ACTIVITY

FOR STOCKTON

For the Period January 1976 to October 1977

	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
ACCOUNT CODE	7/77-	1/77-	1/76-	7/77-	1/77-	1/76-
B&C GENERAL	\$13.34	\$48.73	\$179.19	\$13.34	\$48.73	\$114.45
B&C APPRT IN ST	\$0.00	\$390.39	\$19.81	\$25.09	\$0.00	\$390.39
B&C APPRT OUT ST	\$596.65	\$47.98	\$1,801.39	\$1.39	\$716.49	\$54.11
B&C EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$48.30	\$60.95	\$0.00	\$0.00	\$48.30	\$62.62
PIT GEN FIELD 540	\$24.31	\$22.47	\$156.83	\$23.00	\$24.92	\$22.57
PIT EST&TRST 541	\$0.00	\$0.00	\$1,070.87	\$0.00	\$0.00	\$1,702.27
PIT RSDNCE 540NR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT PTNSHP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$43.88	\$43.67	\$256.76	\$17.09	\$49.23	\$44.51

\$310.98 \$19.16

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DIRECT AUDIT HOUR EXPENDED BY AUDIT ACTIVITY

FOR VAN NUYS

For the Period January 1976 to October 1977

	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
ACCOUNT CODE	7/77-	1/77-	1/76-	7/77-	1/77-	1/76-
===== B&C GENERAL	10/77- =====	6/77- =====	6/76- =====	10/77- =====	6/77- =====	6/76- =====
B&C APPORT IN ST	\$29.12	\$70.73	\$50.26	\$41.83	\$29.12	\$76.34
B&C APPORT OUT ST	\$52.14	\$595.48	\$421.49	\$902.32	\$54.36	\$801.87
B&C EXEMPTS	\$48.88	\$11.73	\$23.41	\$3.51	\$84.74	\$11.73
PIT GEN DESK 540	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN FIELD 540	\$170.86	\$62.44	\$62.26	\$87.89	\$172.52	\$62.44
PIT EST&TRST 541	\$0.00	\$0.00	\$126.42	\$50.44	\$0.00	\$126.42
PIT RSDNCE 540NR	\$67.07	\$33.84	\$388.25	\$142.39	\$67.07	\$33.84
PIT PTNSHP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$74.79	\$372.60	\$199.74	\$239.51	\$79.39	\$494.00

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DIRECT AUDIT HOUR EXPENDED BY AUDIT ACTIVITY  
FOR WEST LOS ANGELES  
For the Period January 1976 to October 1977

	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
ACCOUNT CODE	1/77-	7/75-	1/76-	7/77-	7/77-	1/76-
B&C GENERAL	\$35.47	\$49.57	\$114.58	\$14.63	\$36.65	\$51.17
B&C APPOINT IN ST	\$232.44	\$882.82	\$535.42	\$284.66	\$242.76	\$909.08
B&C APPOINT OUT ST	\$0.15	\$903.55	\$179.22	\$1,873.22	\$40.95	\$903.55
B&C EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$0.00	\$203.81	\$51.92	\$0.00	\$0.00	\$211.70
PIT GEN FIELD 540	\$53.35	\$69.74	\$33.78	\$94.57	\$53.85	\$70.88
PIT EST&INST 541	\$21.39	\$252.95	\$29.11	\$61.34	\$27.08	\$476.87
PIT RSDNCE 5404R	\$5.13	\$21.95	\$0.00	\$8.42	\$5.13	\$21.95
PIT FINSHIP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$149.47	\$558.17	\$326.37	\$284.59	\$156.98	\$579.42

Office of the Auditor General

AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE  
PER DIRECT AUDIT HOUR EXPENDED BY AUDIT ACTIVITY  
FOR CHICAGO

For the Period January 1976 to October 1977

	AVERAGE TAX INCREASES			AVERAGE GROSS TAX CHANGE		
ACCOUNT CODE	7/77-	1/77-	7/76-	7/77-	1/77-	7/76-
B&C GENERAL	\$0.00	\$0.00	\$0.00	\$425.00	\$0.00	\$0.00
B&C APPOINT IN ST	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
B&C APPOINT OUT ST	\$1,176.55	\$1,165.81	\$195.53	\$417.21	\$1,323.39	\$1,196.30
B&C EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN FIELD 540	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT EST&TRST 541	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT RSDNCE 540NR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT PINSHP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$1,176.55	\$1,165.31	\$195.53	\$417.22	\$1,323.39	\$1,196.30

\$244.40                    \$244.40                    \$462.40

## Office of the Auditor General

#### AVERAGE TAX INCREASE AND AVERAGE GROSS TAX CHANGE SEE DIRECT COSTS EXPENDED BY AND ACTIVITY

THE NEW YORK HERALD TRIBUNE

From the Benedict Lagunay 1876 to Detches 1877

FBI: THE PERIODICAL SURVEY 22

		AVERAGE TAX INCREASES		AVERAGE GROSS TAX CHANGE	
ACCOUNT CODE		7/7/7- 10/7/7	7/76- 12/7/6	7/77- 10/7/7	7/77- 6/77
E&C GENERAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
E&C APPOINT IN ST	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
E&C APPOINT OUT ST	\$718.28	\$721.00	\$433.88	\$374.15	\$750.25
E&C EXEMPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN DESK 540	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT GEN FIELD 540	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT EST&TRST 541	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT RSDNCE 540NR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PIT PTNSHP 565	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ALL ACCOUNTS	\$718.28	\$721.00	\$433.88	\$374.15	\$750.25

AUDIT TIME REPORT				AUDITOR			SALARY			DISTRICT OFFICE			GRADE		
KEY CASE NO.	CLASS SYM.	PR.	DATE	KEY CASE (Taxpayer)			NO. OF RET.	CUM HRS FWD	NO. OF HRS	CUM HRS	TOTAL HRS	CUM HRS	AUD	OTH	CASES CLOSED
1															1
2															2
3															3
4															4
5															5
6															6
7															7
8															8
9															9
10															10
11															11
12															12
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24															24
25															25
26															26
27															27
28															28
29															29
30															30
31															31
32															32
33															33
34															34
															SUBTOTAL CASE ACTIVITY (From Page 2)
															TOTAL MISCELLANEOUS ACTIVITY (From Page 2)
															ABSENCES
															TOTAL DAILY TIME
															FIELD TIME

PRIORITY SYMBOLS: Formal Claims = X, Protests = 90, Other = 9

Office of the Auditor General

AUDIT TIME REPORT

PAY PERIOD	YEAR	AUDITOR	SALARY			DISTRICT OFFICE			GRADE		
			KEY CASE NO.	CLASS SYM.	PR. DATE	KEY CASE (Taxpayer)	NO. CUM FWD	DAYS: HOURS:	TOTAL HRS	CUM HRS	TOTAL HRS
											AUD
35											35
36											36
37											37
38											38
39											39
40											40
41											41
42											42
43											43
44											44
45											45
<b>SUBTOTAL CASE ACTIVITY</b>											

FOR NOTES & TALLIES

MISCELLANEOUS ACTIVITY	LINE	COLUMN	HOURS:	TOTAL
	CTA	Dir		
1 Corporation Taxpayer Assistance		CTA		1
2 Corporation Collection Assistance		CTA		2
3 PIT Taxpayer Assistance		PTA		3
4 PIT Collection Assistance		PCA		4
5 Senior Citizen Assistance		SCA		5
6 Corporation Non-Active	B&C TOT	N/A		6
7 PIT Non-Active	PIT TOT	N/A		7
8 Supervision	TOTAL SUP			8
9 BANK & CORPORATION				9
10 Training (Formal): Tech.	B&C TOT	Tech		10
11 Training (Formal): Non-Tech	B&C TOT	N'Tech		11
12 Survey (Tax Returns)	B&C TOT	Sur		12
13 Special Assignments	B&C TOT	Spec		13
14 PERSONAL INCOME TAX				14
15 Filing Enforcement:				15
16 Withholding at Source	FWS	Dir		16
17 599/FCP	FCP	Dir		17
18 Subtotal	SUB TOT	Dir		18
19 Residence Determination	FRO	Dir		19
20 Investigation	FSI	Dir		20
21 Training (Formal): Tech.	PIT TOT	Tech		21
22 Training (Formal): Non-Tech	PIT TOT	N'Tech		22
23 Survey (Tax Returns)	PIT TOT	Sur		23
24 Special Assignments	PIT TOT	Spec		24
25 TOTAL MISCELLANEOUS ACTIVITY				25

## Office of the Auditor General

## Office of the Auditor General

AUDIT TIME REPORT				SALARY		DISTRICT OFFICE		GRADE					
		AUDITOR											
CLASSIFICATION		DISTRIBUTION OF TOTAL HOURS AND SALARY						SPECIAL ASSIGNMENTS					
BANK & CORPORATION		SYM	DIRECT	TRAINING	TECH	N/TECH	SURV	TOTAL	DECREASE				
General		CG						SYM CS RET NO.	INCREASE				
Apportionment: In-State		CAI						CG CS RET NO.	AMOUNT				
Out-of-State		CAO						CE CS RET NO.	AMOUNT				
Exempts		CE						TOTAL CS RET NO.	N/C REF				
Subtotal ~ Field Audit													
Claims for Refund													
Corp. Taxpayer Assistance													
Corp. Collection Assistance													
TOTAL (B & C)													
PERSONAL INCOME TAX		TAX RETURNS CLOSED AND TAX CHANGES						HRS.					
		SYM	DIRECT	ABS	SUP	N/A	Tech	Total	HRS.				
General Desk (540)													
General Field (540)													
Estates & Trusts (541)													
Residence (540NRR)													
Partnership (565)													
Subtotal ~ Field Audit													
Claims for Refund													
PIT Taxpayer Assistance													
PIT Collection Assistance													
Filing Enforcement													
Withholding at Source													
589 / FCP													
SENIOR CITIZENS		SURVEY TRANSFER ACTIVITY						HRS.					
		SYM	NO.	CS	DOLLAR AMOUNT			NO.	NO.				
Assistance								CS RET	CS RET				
Audit													
TOTAL (SENIOR CITIZENS)													
GRAND TOTAL													

\* FTB 6424 Categories

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Office of the Auditor General

cc: Members of the Legislature  
Office of the Governor  
Office of the Lieutenant Governor  
Secretary of State  
State Controller  
State Treasurer  
Legislative Analyst  
Director of Finance  
Assembly Office of Research  
Senate Office of Research  
Assembly Majority/Minority Consultants  
Senate Majority/Minority Consultants  
California State Department Heads  
Capitol Press Corps